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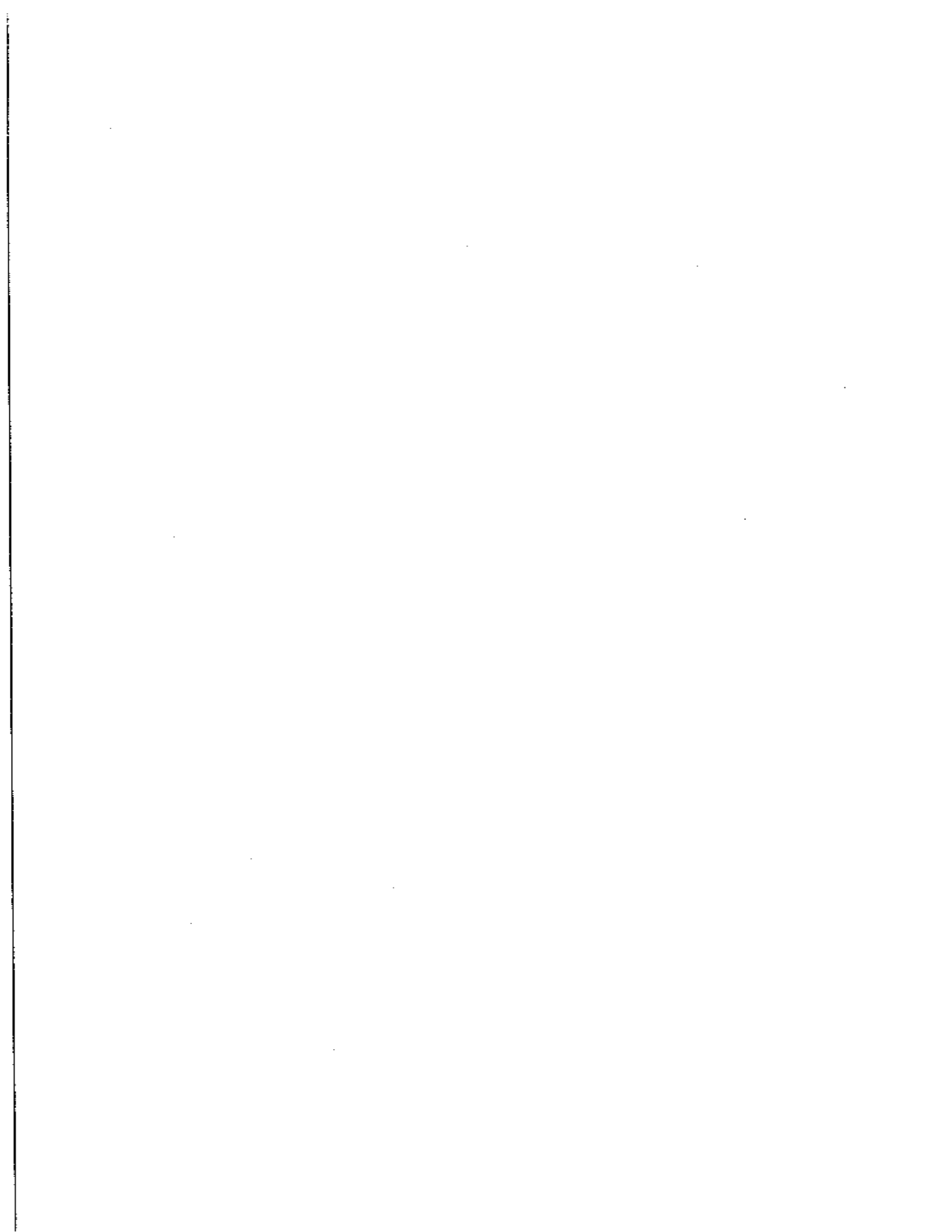
TELECOPIER MESSAGE

TO: Dr. Nordstrom and/or Dr. Ashland

FROM: George P. McAndrews

DATE: 8/28/87

NUMBER OF PAGES TO FOLLOW: 7



PRESS RELEASE

The American Medical Association, the American College of Surgeons and the American College of Radiology were found guilty in U.S. District Court of having conspired to destroy the profession of chiropractic in the United States.

The American Academy of Orthopedic Surgeons was found to have "knowingly joined the conspiracy but to have ceased its participation in 1986 with no likelihood that AAOS would renew any boycott or conspiracy against chiropractors."

In a 101 page opinion released on Thursday in Chicago, United States District Court Judge Susan Getzendanner ruled that the American Medical Association and its co-conspirators had violated the Sherman Antitrust laws of the United States. Judge Getzendanner ruled that they had done this by organizing a national boycott of doctors of chiropractic by medical physicians and hospitals using an ethics ban on interprofessional cooperation.

Evidence at the trial showed that the defendants took active steps, often covert, to undermine chiropractic educational institutions, conceal evidence of the usefulness of chiropractic care, undercut insurance programs for patients of chiropractors, subvert government inquiries into the efficacy of chiropractic, engage in a massive disinformation campaign to discredit and destabilize the chiropractic profession and engaged in numerous other activities to maintain a medical physician monopoly over health care in this country.

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The lengthy decision dealt a heavy blow to the credibility of the American Medical Association -- the nation's largest medical trade association which represents the economic interests of some 250,000 of the nation's 500,000 medical physicians.

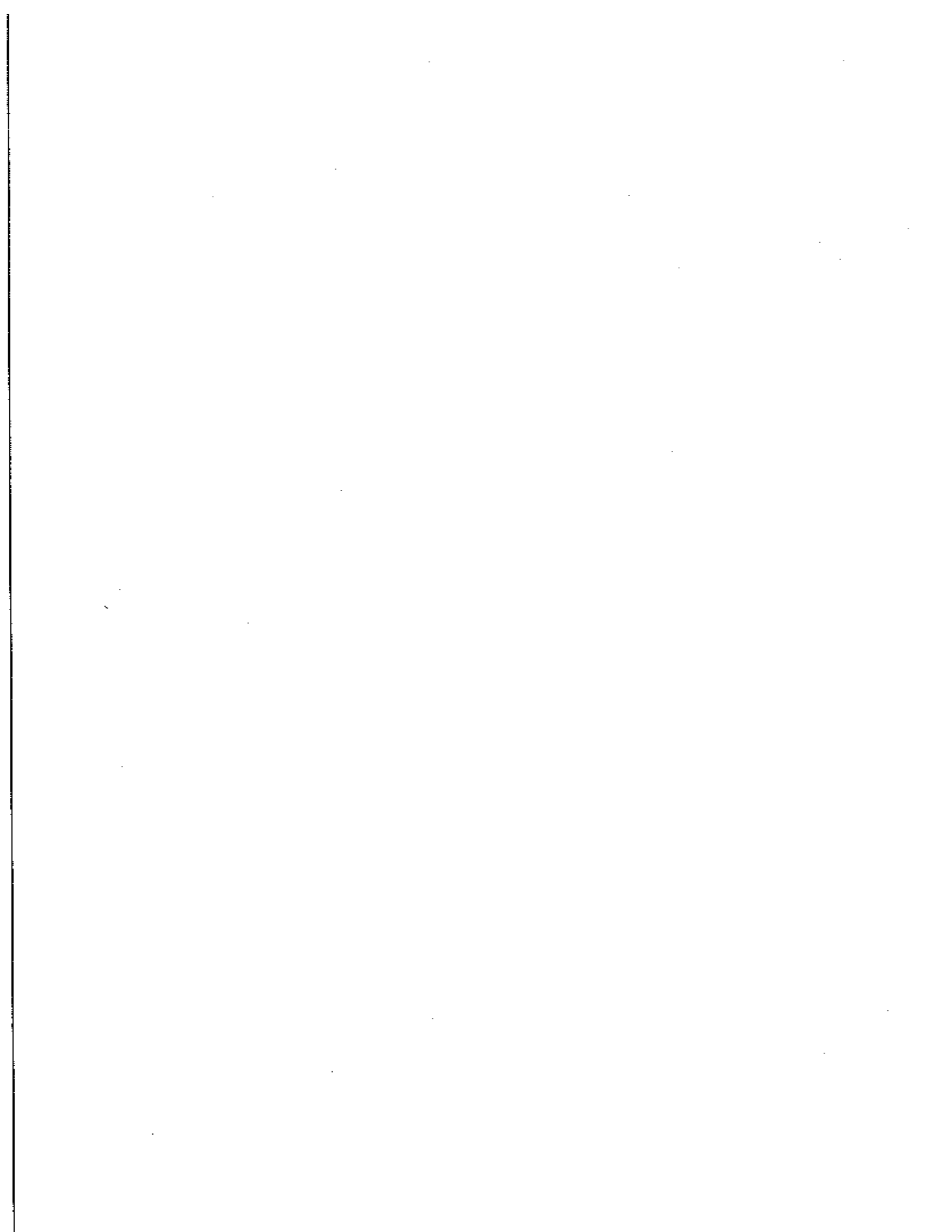
Judge Getzendanner ruled:

I conclude that an injunction is necessary in this case. There are lingering effects of the conspiracy; the AMA has never acknowledged the lawlessness of its past conduct and in fact to this day maintains that it has always been in compliance with the antitrust laws; there has never been an affirmative statement by the AMA that it is ethical to associate with chiropractors; there has never been a public statement to AMA members of the admissions made in this court about the improved nature of chiropractic despite the fact that the AMA today claims that it made changes in its policy in recognition of the change and improvement in chiropractic; there has never been public retraction of articles such as "The Right and Duty of Hospitals to Deny Chiropractor Access to Hospitals"; a medical physician has to very carefully read the current AMA Judicial Council Opinions to realize that there has been a change in the treatment of chiropractors and the court cannot assume that members of the AMA pore over these opinions; and finally, the systematic, long-term wrongdoing and the long-term intent to destroy a licensed profession suggests that an injunction is appropriate in this case. When all of these factors are considered in the context of this "private attorney general" antitrust suit, a proper exercise of the court's discretion permits, and in my judgment requires, an injunction. (Opinion pp. 48-49).

The decision confirmed the AMA as the leading professional violator of the nation's antitrust laws. In 1943 the AMA was convicted of a criminal violation of the antitrust laws for its attempt to destroy an innovative and cost cutting health care insurance and delivery system in Washington, D.C. The conviction was upheld by the Supreme Court of the United States.<sup>1</sup>

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<sup>1</sup> See attachment A.



Again, in 1982, the AMA was found guilty, by the Federal Trade Commission of a decades long, systematic violation of the antitrust laws for restricting informative advertising by medical physicians and for banning innovative group practice and medical physician hiring practices. Acting as attorneys for the Federal Trade Commission in this latter case, the United States Department of Justice told the Supreme Court that the AMA's "long history of illegal behavior strongly supports the need for a remedy to reverse the effects of the restraints of trade they have imposed."<sup>2</sup>

The Administrative Law Judge of the Federal Trade Commission had ruled that the AMA had created:

a formidable impediment to competition in the delivery of health care services by physicians in this country. That barrier has served to deprive consumers of the free flow of information about the availability of health care services, to deter the offering of innovative forms of health care and to stifle the rise of almost every type of health care delivery that could potentially pose a threat to the income of fee-for-service physicians in private practice. The costs to the public in terms of less expensive or even, perhaps, more improved forms of medical services are great.<sup>3</sup>

The decision of the FTC was also upheld by the Supreme Court of the United States.

Evidence in the case demonstrated that the AMA knew of scientific studies implying that chiropractic care was twice as effective as medical care in relieving many painful conditions of the neck and back as well as related musculo-skeletal problems.

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<sup>2</sup> See attachment B.

<sup>3</sup> See attachment C.

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<sup>1</sup> see attachment A.



There was also evidence that the AMA knew that chiropractic care of pregnant women greatly reduced the pain and suffering experienced by women during the months leading up to and at the time of delivery, without the need for chemical pain killers that could be harmful to both mother and child. Evidence also demonstrated the efficacy of chiropractic care both in and out of a hospital setting. Testimony indicated that few medical physicians were educated in or had the expertise of doctors of chiropractic in problems involving the musculo skeletal system which comprises 60% of the body. The Court concluded:

There also was some evidence before the Committee that chiropractic was effective -- more effective than the medical profession in treating certain kinds of problems such as workmen's back injuries. The Committee on Quackery was also aware that some medical physicians believed chiropractic to be effective and that chiropractors were better trained to deal with musculoskeletal problems than most medical physicians. (Opinion p. 31).

Recognizing in the early 1960's that more and more people were taking their musculo-skeletal problems to doctors of chiropractic the AMA moved forcefully to undercut the rapid growth of the profession of chiropractic, now the nation's second largest primary health care provider group.

Judge Getzendanner, who heard evidence in the case from May 5 through July 2, 1987, ruled that the actions of the AMA and its co-conspirators over the last 25 years had resulted in serious damage to the competitive process in health care, the profession of chiropractic as a whole, as well as to individual doctors of chiropractic and the patients they serve. Judge Getzendanner



indicated that she is still working on the Orders of Injunction that she will issue in an effort to prevent further illegal actions by the AMA and its co-conspirators and to correct some of the adverse effects of the antitrust violations.

Other defendants in addition to the AMA, ACS, ACR and AOS included the Joint Commission on Accreditation of Hospitals, and the American College of Physicians. The Court ruled that there was insufficient evidence to tie the JCAH and ACP into the antitrust conspiracy. The American Hospital Association, the Illinois State Medical Society, the American Academy of Physical Medicine and Rehabilitation and the American Osteopathic Association settled with the chiropractors before the Judge's decision.

Plaintiff doctors of chiropractic in the action include Chester A. Wilk, D.C., of Park Ridge, Illinois; Patricia B. Arthur, D.C. of Dayton, Ohio; James W. Bryden, D.C. of Sedalia, Missouri; and Michael D. Pedigo, D.C., of San Leandro, California.

In commenting on the decision the former president of the nation's largest chiropractic college, J.F. McAndrews, D.C., now practicing in Harbor Springs, Michigan, stated:

The AMA took both arrogance and ignorance to new levels of foolishness. Between those characteristics the AMA crushed all common sense. As an educator and administrator I spent almost 25 years combatting the despicable actions of the AMA now declared to be illegal by the Court. How many students, patients and professionals have had to suffer from the AMA's folly. Perhaps now the government will listen when we point out the corrupt power exercised by the AMA. Perhaps now the people of the United States can get cooperative

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care from all segments of the health care spectrum.

Dr. Wilk, in commenting on the outcome of the trial, stated:

Eleven years of litigation have demonstrated the folly of allowing the AMA, whose primary purpose for existence is the economic interest of medical physicians, to sit in judgment or control of any other licensed health care provider. I believe the Congress, State Legislatures, the Justice Department, the Federal Trade Commission and corresponding state law enforcement agencies should appoint task forces to probe the AMA and the cancer in health care represented by the conspiracy we have proven in this case. Every sick person and every taxpayer in this country has suffered because of the actions of the AMA. I do not believe that private parties such as the plaintiffs in this action should ever again have to shoulder the onerous burden of challenging a well funded monolith such as the AMA.

Dr. Padigo, a plaintiff in the action and president of a national organization of doctors of chiropractic commented:

The profession of chiropractic had its beginnings only ninety-two years ago in the United States. It developed rapidly following World War II and the Korean War spurred by its expertise and successes in efficiently relieving pain, referred pain, headaches, joint dysfunctions and other neuro-spinal problems at low cost and without drugs -- problems that were not being adequately addressed nor studied by the medical profession. The all out assault on chiropractic waged by the AMA and its co-conspirators was actually an undeclared war on the sick people who dared to challenge the arrogance and ignorance of the medical community by seeking help from doctors of chiropractic. The AMA's actions have tarnished the image of medical physicians everywhere. As we have in the past we renew our request that medical physicians and chiropractic physicians join their respective areas of expertise for the good of their primary constituency: the people of the United States who experience poor health, those who find themselves confined to hospitals, or those who generally wish to maintain themselves in an optimum state of health.

Plaintiff chiropractor Dr. Bryden feels very strongly that the AMA's actions hurt patients everywhere:



The AMA is a health care bully. In the past that organization has trained its practiced guns on every group of health care professionals who would dare to offer services to the sick and suffering in competition with medical physicians. The podiatrists, clinical psychologists, optometrists, nurse practitioners and others have suffered serious injury to their professions and the people they seek to serve as a result of the unconscionable conduct of the AMA. It appears that only a courageous federal judge is big enough to subdue the bully. I suggest to all of our health care friends that the AMA must be carefully watched and called to account frequently until it learns that it too is subject to the laws of this country.

Dr. Patricia Arthur, the sole woman chiropractor among the plaintiffs, suggests that the conspiracy organized by the AMA is directly responsible for the mushrooming explosion of health care costs in this country:

The August 1987 edition of a magazine directed to hospital administrators predicts that the nation is headed toward a 1.5 trillion dollar annual health care budget. Each person in the country will be expending more than \$5,000.00 per year on health care costs. Chiropractic is a low cost substitute for certain segments of medical care. That is the result of monopoly in the health care field centered around the AMA. My personal experience with the power of the AMA monopoly is one that I hope no one else ever has to suffer. I was denied access to radiological services at a hospital in a small Colorado town where I tried to establish my first practice after leaving school. While appealing the denial by eight medical physicians on the medical staff, my patients had to travel 60 miles through the mountains to the closest chiropractor for necessary x-rays. The appeal process resulted in having my profession unfairly defamed by the AMA propaganda machine and the resulting news coverage upset my efforts to build a practice in the small community. My decision to abandon my practice and leave the State of Colorado is illustrative of what the AMA has been able to do to me and possibly hundreds, if not thousands, of other licensed professionals. The challenge to the AMA's illegal activities has been arduous. Thank God for Judge Susan Getzendanner.

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