

ANNOUNCEMENT OF THE HUNGARIAN COMPETITION AUTHORITY

**GVH obliged the Hungarian Medical Chamber to amend its
Code of Ethics**

The Gazdasági Versenyhivatal debarred the Hungarian Medical Chamber (MOK) from the further application of certain provisions of its Code of Ethics, restricting price competition among doctors and advertising, and obliged it to amend its Code of Ethics. The Gazdasági Versenyhivatal ordered the enforcement of its earlier final decisions where it obliged the Hungarian Medical Chamber not to apply and to delete the unlawful prohibitive provisions, in respect of providing medical services at fees below of what had been recommended by the chamber and advertising medical services.

As a result of an investigation performed in 1999, the Competition Council of the Gazdasági Versenyhivatal came to the conclusion that parts of the Code of Ethics of MOK concerning medical fees infringed the prohibition of restriction of economic competition. Namely, the MOK obliged its members not to do jobs at a fee below its recommendations, though the Act relating to the chamber only authorized it to elaborate and publish recommendations on medical fees.

During the year 2001, the GVH had launched another investigation that resulted in a decision in 2002, in which the Competition Council came to the conclusion that rules prohibiting advertising involved in the Code of Ethics of MOK infringed the provisions of the Act prohibiting the restriction of economic competition, so it debarred MOK from the application of the rules.

The MOK has sought legal remedy against both decisions of the GVH. Subsequently, in October of 2002, the Supreme Court approved the decision of 1999 and, on the other side, the Chamber withdrew the complaint it had submitted to the Metropolitan Court concerning the procedure of 2001.

Since the Competition Council qualified the provisions of Code of Ethics as ones hindering price competition between medical services as well as prohibiting the advertising of medical activities to be illegal, they became invalid as from the due publication of the decisions. Based on Act LVII of 1996 on the prohibition of unfair and restrictive market practices, the appeal before the court does against the decisions of GVH not have a suspensive effect on the enforcement of the decisions. So there is no need and there was no need to make a new Chamber decision in order to prevent the application of the illegal rules, and the MOK should have to take care of bringing the decisions of the GVH to the affected parties' knowledge.

The unlawful provisions must not have been applied further as ethical norms, based on these the fees applied by the doctors and their advertisements must not have been contested and based on these norms ethical procedures must not have been conducted. Despite the fact that MOK had been obliged not to apply the ethical provisions found to be illegal, certain regional bodies further on condemned their members in the ethical proceedings launched by them in connection with the conduct described above.

So the GVH in this new actual proceeding ordered the enforcement of its decisions. Non-observance will be sanctioned by a periodic penalty payment of HUF 6000 a day in the period until 1 December 2005 and by an increased periodic penalty payment of HUF 30000 a day afterwards, to be paid by MOK.

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