

**Question 1 from Councillor Roger Robinson, Ward Councillor for St Pancras and Somers Town**

Please see the view of three local ward councillors in St Pancras and Somers Town, Camden, regarding the taking over by Centene of the AT Medics Holdings Limited liability Partnership (LLP) and the lack of Consultation by the Chair and the presenter for just under 9 minutes with no comments made or questions added by the members.

We would wish to seek an answer as to why this decision was accepted without proper committee discussion and decision by vote etc.

**NCL CCG Response**

AT Medics hold a number of contracts across London CCGs, they submitted a request to all CCGs where they deliver services under a primary care contract for a change of control request.

All London CCGs collectively requested legal advice from NHS England and Improvement (NHSEI), regarding whether the APMS contracts allows a provision for a change of control, including the due diligence questions that AT Medics would need to provide assurance on as part of the request.

The due diligence questions that the CCG requested a response from AT Medics have been set out below. The legal advisor also carried out the due diligence checks in relation to financial standing, ownership and the qualification of the proposed company to hold the APMS contract.

- Financial standing
- Bankruptcy
- Disqualification from holding an APMS contract
- Ownership
- Transfer of Patient data
- Staffing and Management changes

The NCL Primary Care Commissioning Committee met on 14th and 17th December 2020. The meeting of the 14th December 2020, was an extraordinary meeting of the part 2 Primary Care Commissioning meeting. This meeting was scheduled to enable committee members to discuss in full the implications of the request. The questions and concerns that were posed by committee members were regarding the;

- Remit of the committee in making the decision
- What the risk of legal challenge would be if the change control was not approved
- Proportionality of the change control request to other similar providers requests i.e. super partnership and super practice
- Whether the change control would breach procurement rules i.e. would the change control result in a new contract being issue
- What levers do commissioners have to measure the impact of the change control i.e. performance of the provider, impact to patients and staff

The paper setting out the responses to the committee's concerns with the findings of the due diligence information was further discussed in the part 2 meeting held on 17th

December 2020. This paper was referred to the part 2 meeting, which is not in public because it contained confidential and sensitive information, including the legal advice. A further paper was tabled in part 1 of the meeting to set out the process that was followed and the outcome of the due diligence checks. There were no adverse findings and for NCL contracts held by AT Medics there are no significant performance concerns. The PCCC members required as part of the decision that a regular update paper will be provided to committee members on any changes or benefits related to the change control.

**Question 2 from member of the public**

I am very concerned that the NCLCCG Primary Care Commissioning Committee may have been misled. In the draft minutes of the Primary Care Commissioning Committee held on 17<sup>th</sup>December 2020 on your agenda at point 35.1 it is noted that you were informed that AT medics Ltd indicated as part of due diligence that the London contracts remained with AT medics Ltd with no change to its board of directors. Changes were to occur in its holding company AT Medics holdings LLP, which indeed they have. These minutes appear to be correct from the 'Sound Cloud' recording of that meeting. I also note, however, from Companies House that three new people from Operose (a subsidiary of Centene) have been appointed as directors of AT medics Ltd on 10<sup>th</sup>February 2021 and the rest of the board (eight directors) have resigned.

From the NCLCCG Primary Care Commissioning Committee Meeting 17<sup>th</sup>December 2020, in a report dated 9<sup>th</sup>December 2020 agenda item 3.5, in its application for authorisation, AT Medics Ltd gave you assurances that: AT Medics Ltd would continue to be responsible for providing the primary care services; there would be no change to the personnel involved in providing care under the contracts as a result of the change and; the current directors of AT Medics Ltd would 'remain actively involved in the organisation'. There is no clear mention of current directors remaining as directors.

Does the Committee realise that these changes to the board of AT medics Ltd have happened? Does the Committee have any views as to what this foot-hold for Centene, a major transnational American Healthcare organisation, may represent to the NCL system and us, your population?

I also believe that the changes as they now are may constitute a significant Change of Control of the company.

I note that clause 54:3 in the APMS Contract states that "the Contractor shall not undergo a Change of Control without the prior Authorisation of the Commissioner.."  
Please can you inform me if, how and when NCLCCG gave this authorisation?  
What action will members of the NCLCCG take given that, despite receiving information to the contrary, the directorships of the company AT medics Ltd have been given to Operose (Centene)?

**NCL CCG Response**

**Change in Directors**

AT Medics, notified the CCG as part of the request that AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in AT Medics LLP are all held by the directors of AT Medics Ltd.

AT Medics proposed that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd.

NCL CCG was aware that AT Medics is listed under Companies House as AT Medics Limited (Ltd) and that there was also a holding company, titled AT Medics Limited Liability Partnership (LLP), which states in Companies House that, ' the relevant legal entity holds, directly or indirectly, 75% or more of the shares and voting rights in the company.

AT Medics provided assurance that its executive, operational management and practice staffing team under AT Medics Ltd would not change, this was further supported by a staffing structure. AT Medics Directors have confirmed that they will remain as Executive leads in the company and for provision of services under the APMS contracts.

### **How and when the CCG gave authorisation**

AT Medics hold a number of contracts across London CCGs, they submitted a request to all CCGs where they deliver services under a primary care contract for a change of control request.

All London CCGs collectively requested legal advice from NHS England and Improvement (NHSEI), regarding whether the APMS contracts allows a provision for a change of control, including the due diligence questions that AT Medics would need to provide assurance on as part of the request.

The due diligence questions that the CCG requested a response from AT Medics have been set out below. The legal advisor also carried out the due diligence checks in relation to financial standing, ownership, transfer of company, and the qualification of the proposed company to hold the APMS contract.

- Financial standing
- Bankruptcy
- Disqualification from holding an APMS contract
- Ownership
- Transfer of Patient data
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The NCL Primary Care Commissioning Committee met on 14th and 17th December 2020. The meeting of the 14th December 2020, was an extraordinary meeting of the part 2 Primary Care Commissioning meeting. This meeting was scheduled to enable committee members to discuss in full the implications of the request. The questions and concerns that were posed by committee members were regarding the;

- Remit of the committee in making the decision
- What the risk of legal challenge would be if the change control was not approved and on what grounds
- Proportionality of the change control request to other similar providers requests i.e. super partnership and super practice
- Whether the change control would breach procurement rules i.e. would the change control result in a new contract being issued
- What levers do commissioners have to measure the impact of the change control i.e. performance of the provider, impact to patients and staff
- Whether there were any known performance or quality concerns with AT Medics and Operose Health

The paper setting out the responses to the committee's concerns with the findings of the due diligence information was further shared and discussed in the part 2 meeting held on

17th December 2020. This paper was referred to the part 2 meeting, which is not in public because it contained confidential and sensitive information, including the legal advice. A further paper was tabled in part 1 of the meeting held on 17<sup>th</sup> December 2020 to set out the process that was followed and the outcome of the due diligence checks. There were no adverse findings and for NCL contracts held by AT Medics there are no significant performance concerns and no known concerns related to Operose Health.

The PCCC members required as part of the decision that a regular update paper will be provided to committee members on any changes or benefits related to the change control. There are also existing levers within the APMS contract which enable the PCCC members to review the impact of the change control, during the Key performance indicator reviews and when the contracts are due for extension. These reviews are either annual or quarterly depending on the performance of the provider.

**Question 3 from Councillor Paul Tomlinson, Ward Councillor for St Pancras and Somers Town**

It has come to my attention that a decision was taken at the December 17<sup>th</sup> meeting of the Committee that ownership of AT Medics Ltd would be passed to Operose Health Ltd, itself a subsidiary of the American company, Centene Corporation.

The AT Medics Ltd contracts for the King's Cross Surgery and the Somers Town Medical Centre are located in St Pancras & Somers Town ward which I represent.

It seems wholly unsatisfactory to me that the details of the changes made to the ownership of the contracts' holders have not been made in a more transparent way. We local Councillors should have been made aware of the decision to be taking place.

Indeed, in the Soundcloud recording of December 17<sup>th</sup> meeting, the Committee Chair is recorded as saying that the change of ownership is a substantial and a significant move.

I would like to ask the Committee why the draft minutes of the meeting of 17 December 2020 listed for approval at next Thursday's meeting include new information that was not provided to or presented at the meeting according to the virtual meeting recording; namely, that "Operose Health itself was a UK subsidiary of Centene"?

**NCL CCG Response**

**Why Centene Corporation was not referenced in the part 1 papers minutes**

On review of the Part 1 paper and draft minutes I acknowledge that Centene was not referenced in the papers. The NCL PCCC though operates two parts to its meeting. Part 1 in public and Part 2 not in public. In the part 2 papers it includes that Operose health Ltd holding company is Centene Corporation.

I would like to provide you with assurance that the PCCC members as part of their decision making were aware and assessed the implications of Operose Health being a UK Subsidiary of Centene.

AT Medics, notified the CCG as part of the request that AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP).

AT Medics proposed that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd and the holding company was Centene Corporation.

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**Question 4 from Councillor Nayra Bello O'Shanahan, Ward Councillor for Swiss Cottage**

Dear Chair,

As Camden Councillor from the Swiss Cottage ward, I observe with some concern item 3.5 from the last minutes of the North London CCG meeting of 17.12.20 about the request of change of control of AT medics. One of the APMS contracts mentioned, the Extended Access Hub contract that AT medics has with the NHS, affects the Camden GP hub (that includes Swiss Cottage Surgery).

I share with you that this move is significant and, we all need to make sure we know exactly what the implications are of approving the change of control from AT medics to Operose Health.

Some issues I would like to comment on:

1. We should amend the minutes of the meeting of 17 December 2020 replacing 'was' with 'is', 'Operose Health itself was a subsidiary of Centene'. It is a subsidiary of Centene.
2. Could you please explain for the record, why was Centene not mentioned before by the presenter of the item?
3. Is it still possible to attach conditions for approval in case we see negative effects of such change?

**NCL CCG response**

**Why Centene Corporation was not referenced in the part 1 papers minutes**

On review of the Part 1 paper and draft minutes I acknowledge that Centene was not referenced in the papers. The NCL PCCC though operates two parts to its meeting. Part 1 in public and Part 2 not in public. In the part 2 papers it includes that Operose health Ltd holding company is Centene Corporation.

I would like to provide you with assurance that the PCCC members as part of their decision making were aware and assessed the implications of Operose Health being a UK Subsidiary of Centene.

AT Medics, notified the CCG as part of the request that AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in AT Medics LLP are all held by the directors of AT Medics Ltd.

AT Medics proposed that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd and the holding company was Centene Corporation.

**Conditions for approval**

I would like to provide assurance that the PCCC members required as part of their decision that a regular update paper will be provided to committee members on any changes or benefits related to the change control. There are also existing levers within the APMS contract which enable the PCCC members to review the impact of the change

control, during the key performance indicator reviews and when the contracts are due for extension. These reviews are either annual or quarterly depending on the performance of the provider.

#### **Question 5 from member of the public**

Please will you answer these questions at the 18th Feb NCL CCG meeting, in relation to the agenda item: Draft Minutes of the NCL Primary Care Commissioning Committee Meeting on 17 December 2020?

1. Do you have any commissioning support contracts with Operose Health via the Health Systems Support Framework?
2. The Change of Control Request Report to the PCCC in Dec 2020 doesn't identify Operose Health as wholly owned by Centene Corporation in the USA. Instead it says "Operose Health Ltd is itself owned by MH Services (UK) Ltd. which is then owned by MH Holdings International (UK) inc." Why?
3. In the due diligence work, solicitors "carried out searches on financial stability and Good Standing to provide further assurance to commissioners in respect of OperoseHealth Ltd, Operose Health Group; MH Services International and MH Services International Holdings." Again no mention of the fact that Operose Health is a wholly owned subsidiary of Centene Corporation. Why?

Could it be because of Centene Corporation's dire record of profiteering; inadequate provision of doctors, specialists, hospitals; massive healthcare fraud; failure to release accurate financial information related to the acquisition of a healthcare insurance provider; serious mismanagement and non-compliance with federal or state Medicaid contracts or rules; and so on? (Info sources follow):

- [Dire record of profiteering.](#)
- Fines for not providing enough doctors, specialists and hospitals and other key services in its Obamacare insurance programmes, <https://www.cnbc.com/2017/12/15/centene-fined-1-point-5-million-can-resume-obamacare-sales-in-washington.html>
- Committing massive healthcare fraud by selling health insurance plans without any participating doctors or hospitals and falsifying its lists of providers <https://terrellmarshall.com/class-actions/centene-corporation-class-action/>
- Having to pay \$7.5 million to resolve a purported class-action lawsuit by investors alleging the company failed to release accurate financial information related to its acquisition of Health Net. <https://www.bizjournals.com/stlouis/news/2020/03/18/centene-agrees-to-pay-7-5m-to-resolve-class-action.html>
- One of its subsidiaries being fined at least \$23.6 million in penalties for serious mismanagement and non-compliance with federal or state Medicaid contracts or rules in more than a dozen states <https://eu.desmoinesregister.com/story/news/investigations/2018/07/01/iowa-new-private-medicare-company-troubled-past-centene-millions-dollars-penalties/637740002/>
- And so on.

4. How is it possible to reasonably claim that the proposed change in control did not

constitute a change in contract holder, so there's no need for a new contract, when there are no longer any AT Medics Ltd Directors? Despite what the Change of Control Request Report says about assurances that the current directors of AT Medics Ltd would remain actively involved in the organisation.

The Change of Control Request Report claims that,

“The proposed change in control did not constitute a change in contract holders and therefore was not a contract novation. A contract novation is whereby a contract holder who holds a GMS or PMS contract wishes to incorporate their contract to a company limited by shares, then request another company to hold the contract. The process of novation would be to terminate the incorporated GMS / PMS Company, then issue a new contract. The process of change control under an APMS would not trigger a contract novation, therefore for this reason the change was not likely to be subject to challenge under the Public Contract Regulations.”

Relating to this claim,  
the Change of Control Request Report says:

- “Ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd” (AT Medics LLP is the holding company for AT Medics Ltd. It holds 75% or more of shares and voting rights in AT Medics Ltd and has the right to appoint or remove the AT Medics Ltd board of directors.)
- “AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in ATMedics LLP are all held by the directors of AT Medics Ltd. The companies propose that ownership of ATMedics LLP should transfer from the directors of ATMedics Ltd to Operose Health Ltd
- “AT Medics gave assurances that the current directors of AT Medics Ltd would remain actively involved in the organisation.”

What are these AT Medics' assurances worth? On 11th Feb all 6 AT Medics Ltd directors resigned from AT Medics Ltd - the day after they had all resigned as “persons with significant control” from AT Medics LLP, where they were replaced by Mh Services International (UK) Limited and Operose Health Limited.

Their resignations as AT Medics Ltd directors saw them replaced at that company by the Operose Health Ltd:

- CEO
- Chief Medical Officer
- Chief Financial Officer

Looks like a change in contract holders to me.

5. When ownership of AT Medics LLP transferred from the then-directors to AT Medics Ltd to Operose Health Ltd, how much money did Operose Health Ltd pay for this?

6. Was that information included in the due diligence?

7. And what due diligence has been carried out into Operose Health Ltd's finances? Their annual accounts are overdue, so there's no way of checking on Companies House.

#### **NCL CCG Response**

**Do you have any commissioning support contracts with Operose Health via the Health Systems Support Framework?**

There are no contracts held by Operose Health in NCL CCG.

The contracts that are currently held by AT Medics in NCL CCG are the APMS contracts listed below;

- Brunswick Medical Centre
- Kings Cross Surgery
- Somers Town Medical Centre
- Camden Health Improvement Practice (CHIP)
- St Ann's Road Surgery
- Mitchinson Road Surgery
- Hanley primary Care Centre
- Camden GP Access Hub

### **Why Centene Corporation was not referenced in the part 1 papers**

On review of the Part 1 paper and draft minutes I acknowledge that Centene was not referenced in the papers. The NCL PCCC though operates two parts to its meeting. Part 1 in public and Part 2 not in public. In the part 2 papers it includes that Operose health Ltd holding company is Centene Corporation.

I would like to provide you with assurance that the PCCC members as part of their decision making were aware and assessed the implications of Operose Health being a UK Subsidiary of Centene.

AT Medics, notified the CCG as part of the request that AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in AT Medics LLP are all held by the directors of AT Medics Ltd.

AT Medics proposed that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd. AT Medics disclosed that the owner of Operose Health Ltd is Centene Corporation.

### **Concerns relating to the financial position of Operose Health**

The due diligence questions that the CCG requested a response from AT Medics have been set out below. The due diligence checks were carried out by a legal advisor not a member of the CCG, in relation to financial standing, ownership, transfer of company, and the qualification of the proposed company to hold the APMS contract. The full list has been set out below, which did not disclose any adverse findings.

- Financial standing
- Bankruptcy
- Disqualification from holding an APMS contract
- Ownership
- Transfer of Patient data
- Staffing and Management changes

### **Change in Directors and why did the change in control not constitute a need for a new contract**

AT Medics did declare in their change control request that they propose ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd.

Under the APMS contract terms it provides a provision to allow contract holders to request a change of control, with committee's being required to consider authorisation of the change, with or without conditions.

The APMS contracts that are held by AT Medics Ltd are unchanged and are still held by AT Medics Ltd. AT Medics Holdings LLP is the holding company for the group that encompasses AT Medics Ltd, AT Technology Services Ltd (our technology arm), AT Learning Ltd (our learning arm) and Primary Care Partners Ltd (our services arm). AT Medics Holdings LLP is now owned by Operose Health Ltd (Operose Health Ltd's parent company also holds a minority interest but only because an LLP organisation needs two members).

AT Medics Directors have confirmed that they will remain as Executive leads in the company and for provision of services under the APMS contracts.

**Will the current AT Medics Directors remain actively involved in the organisation**

AT Medics provided assurance that its executive, operational management and practice staffing team under AT Medics Ltd, the company who holds the APMS contracts would not change, this was further supported by a staffing structure.

**Question 6 from member of the public**

My questions relate to Agenda item 1.6, pp.18-19, approval of draft minutes of the meeting on 17 December 2020:

Why do the draft minutes state, and why did the presenter at the 17 December meeting state, that the Board of Directors of AT Medics Limited will not change, when the paper for the meeting did not state that, and bearing in mind that on 10 February 2021 the Board of Directors of AT Medics Limited are all Centene nominees, and the previous directors have resigned?

In September 2019, AT Medics Holdings LLP became a 'registrable relevant legal entity' in AT Medics Limited, as it then held more than 75% of the shares and voting rights. Did the due diligence exercise consider whether the change of control in September 2019 required and, if so, received prior CCG approval?

**NCL CCG Response**

**Why did the draft PCCC minutes state that the Board of Directors of AT Medics Limited will not change**

AT Medics did declare in their change control request that they propose ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd.

The APMS contracts that are held by AT Medics Ltd are unchanged and are still held by AT Medics Ltd. AT Medics Holdings LLP is the holding company for the group that encompasses AT Medics Ltd, AT Technology Services Ltd (our technology arm), AT Learning Ltd (our learning arm) and Primary Care Partners Ltd (our services arm). AT Medics Holdings LLP is now owned by Operose Health Ltd (Operose Health Ltd's parent company also holds a minority interest but only because an LLP organisation needs two members).

At Medics have confirmed that the Directors will still remain as executive management leads after the change control. The operational management and practice staffing team will also remain therefore on a day to day basis patients should not see a change.

**AT Medics LLP became a relevant legal entity, did this require a change of control in September 2019**

We will seek further advise on this matter, but the CCG's assumption was that AT Medics Ltd was currently owned by AT Medics Holdings Limited Liability Partnership (LLP), whom were held by the same Directors. Therefore there was no change in company at that time. We will though seek further clarity on this matter.

**Question 7 from Professor Sue Richards, Islington Keep Our NHS Public**

I note from the minutes of your meeting held on 17 December that AT Medics Ltd have applied for a variation in your contract with them, in the light of the fact that their parent company has been acquired by a company belonging to Centene, the giant US healthcare company. They argue that since it is AT Medics Ltd who undertake the work of the contract, and there is no change in the control of A T Medics, this should be allowed. It was agreed at that meeting that this should be agreed once confirmatory evidence came from Companies House, and that this could be dealt with on Chairman's Action.

It has come to my notice that the board of AT Medics Ltd has been changed since this request was made, with three new directors being installed (and the original directors resigning) This is shown in Companies House documentation on 10 February 2021.

My question is in four parts

1 Had the agreement to the change been enacted by the Chairman by 10 February. If so, when was agreement given and is it conceivable that A T Medics Ltd did not know of the change in their board structure at the time. Was bad faith involved. I have heard that the original directors have been bought out very handsomely indeed, in effect selling the contracts they have been awarded by the NHS.

2 If the chairman has not yet agreed this change, would the committee review its decision in the light of Centene's arm Operose now being in a position to change the character of the delivery of this contract, since it is a major conglomerate rather than a group of GPs

3 Do you agree that it is good for neither patients nor for the NHS to have contracts for NHS services viewed as transferrable assets to be bought and sold with little transparency and no chance for the public to make its voice heard. In the light of the publication of the White Paper this week, would you review the decision to award the contract to A T Medics Ltd and if legally possible withdraw from the contract and facilitate the service's delivery as a core part of the NHS.

4 Never has there been greater need for the public to be able to trust GPs and primary care, and the evidence seems to be that many practices across London, not only in NCL, are passing under the control of Centene. It seems that A T Medics is being used as a trojan horse to enable this takeover. Does this committee governing primary care in NCL feel comfortable about this change and will they warn other CCGs in London about these developments.

**NCL CCG Response**

## **Change in Directors**

AT Medics did declare in their change control request that they propose ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd.

The APMS contracts that are held by AT Medics Ltd are unchanged and are still held by AT Medics Ltd. AT Medics Holdings LLP is the holding company for the group that encompasses AT Medics Ltd, AT Technology Services Ltd (our technology arm), AT Learning Ltd (our learning arm) and Primary Care Partners Ltd (our services arm). AT Medics Holdings LLP is now owned by Operose Health Ltd (Operose Health Ltd's parent company also holds a minority interest but only because an LLP organisation needs two members).

At Medics have confirmed that the Directors will still remain as executive management leads after the change control. The operational management and practice staffing team will also remain therefore on a day to day basis patients should not see a change. AT Medics Directors have confirmed that they will remain as Executive leads in the company and for provision of services under the APMS contracts.

## **When will final Chairs action occur**

The PCCC members will be scheduling an urgent decision meeting week commencing 22<sup>nd</sup> February 2021 for another contract matter. At this meeting the CCG will be requesting Chairs action on the final due diligence check. On 14<sup>th</sup> January 2021 the CCG received confirmation that the Certificate of Good Standing from Companies House had been received with no adverse findings.

The full list of the due diligence checks have been listed below which found no adverse findings. If the decision was now overturned it may open the CCG up to legal challenge.

- Financial standing
- Bankruptcy
- Disqualification from holding an APMS contract
- Ownership
- Transfer of Patient data
- Staffing and Management changes

## **Does the change in control change the character of the contract**

The APMS contract is a Nationally agreed contract, therefore the terms in relation to services to patients cannot be changed by any provider.

## **Why does NHS Contracts allow a transfer of control**

The APMS contracts provides a provision to allow contract holders to request a change of control, with committee's being required to consider authorisation of the change, with or without conditions. The contract states, Clause 54.3: "Save in respect of a public limited company listed on an internationally recognised exchange the Contractor shall not undergo a Change of Control without the prior authorisation of the Commissioner and subject to such conditions as the Commissioner may impose."

## **Notification to other London CCGs regarding the change of control**

AT Medics hold a number of contracts across London CCGs, they submitted a request to all CCGs where they deliver services under a primary care contract for a change of control request.

All London CCGs collectively requested legal advice from NHS England and Improvement (NHSEI), regarding whether the APMS contracts allows a provision for a change of control, including the due diligence questions that AT Medics would need to provide assurance on as part of the request.

**Question 8 from Sarah James, Cabinet Member for Adults and Health, Haringey Council**

I wish to submit the following questions to the Committee regarding the takeover of St Ann's Road Surgery, Laurels Healthy Living Centre, 256 St Ann's Road, N15 5AZ

I understand that under APMS contracts, change of control is not allowed unless authorised by the commissioners, who may attach conditions.

I also understand that at the North Central London CCG Primary Care Commissioning Committee's December meeting the following proposal was made:

"AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in AT Medics LLP are all held by the directors of AT Medics Ltd.

The companies propose that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd – a company which already holds a number of GP contracts and other health service contracts across London and in other parts of the country.

Operose Health Ltd is itself owned by MH Services (UK) Ltd. Which is then owned by MH Holdings International (UK) inc."

I understand that Operose is a subsidiary of the American company Centene.

Given this, I would like to ask the committee that they reconsider their earlier decision.

What due diligence was done on this change of ownership?

What guarantees are there regarding the provision of services for the patients registered there?

What conditions were attached to the change of ownership?

The lack of transparency in this decision making is extremely concerning.

I also ask for guarantees about the future of primary care services in NCL, that these will be locally owned and controlled and not sold to private companies – whether based in this country or abroad.

I also ask that in future any proposed changes in ownership or control of primary care services in NCL be published in advance and circulated to Local Authorities, the JHOSC and the lead members of those authorities for proper scrutiny and discussion before any decision is made.

I would also like the following questions to be addressed:

Re Agenda item 1.6, pp.18-19: Why do the draft minutes of the meeting of 17 December 2020 include new information that was not provided to or presented at the meeting, namely that “Operose Health itself was a UK subsidiary of Centene”?

Re Agenda item 1.6, pp.18-19: When the PCCC is asked to approve this section of the draft minutes of the meeting of 17 December 2020, will the Chair and presenter at that meeting of Agenda Item 3.5 please explain to the public, and for the record, why the Centene Corporation was not mentioned as the ultimate parent company of Operose Health Limited?

Re Agenda item 1.6, pp.18-19: Please will you amend the following sentence in the draft minutes of the meeting of 17 December 2020, by replacing ‘was’ with ‘is’: “Operose Health itself was a UK subsidiary of Centene”?

### **NCL CCG Response**

#### **What due diligence was done on this change of ownership?**

The due diligence questions that the CCG requested a response from AT Medics have been set out below. The legal advisor also carried out the due diligence checks in relation to financial standing, ownership and the qualification of the proposed company to hold the APMS contract.

- Financial standing
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The NCL Primary Care Commissioning Committee met on 14th and 17th December 2020. The meeting of the 14th December 2020, was an extraordinary meeting of the part 2 Primary Care Commissioning meeting. This meeting was scheduled to enable committee members to discuss in full the implications of the request. The questions and concerns that were posed by committee members were regarding the;

- Remit of the committee in making the decision
- What the risk of legal challenge would be if the change control was not approved
- Proportionality of the change control request to other similar providers requests i.e. super partnership and super practice
- Whether the change control would breach procurement rules i.e. would the change control result in a new contract being issue
- What levers do commissioners have to measure the impact of the change control i.e. performance of the provider, impact to patients and staff

Further clarification on the legal advice was sought on the questions and concerns raised by the committee members and a responses drafted. On 17th December 2021, in the scheduled part 2 meeting the responses were again discussed in full, with an emphasis on the quality of services and how the impact will be measured if the change control was approved. There was also a focus on the risk of successful legal challenge if the PCCC members took a different course of action, i.e. by not approving the change control.

#### **What guarantees are there regarding the provision of services for the patients registered there and What conditions were attached to the change of ownership?**

I would like to provide assurance that the PCCC members required as part of their decision that a regular update paper will be provided to committee members on any changes or benefits related to the change control. There are also existing levers within the APMS contract which enable the PCCC members to review the impact of the change control, during the key performance indicator reviews and when the contracts are due for extension. These reviews are either annual or quarterly depending on the performance of the provider.

### **Why Centene Corporation was not included in the part 1 papers**

On review of the Part 1 paper and draft minutes I acknowledge that Centene was not referenced in the papers. The NCL PCCC though operates two parts to its meeting. Part 1 in public and Part 2 not in public. In the part 2 papers it includes that Operose health Ltd holding company is Centene Corporation.

I would like to provide you with assurance that the PCCC members as part of their decision making were aware and assessed the implications of Operose Health being a UK Subsidiary of Centene.

AT Medics, notified the CCG as part of the request that AT Medics Ltd is currently wholly owned by AT Medics Holdings Limited Liability Partnership (LLP). Shares in AT Medics LLP are all held by the directors of AT Medics Ltd.

AT Medics proposed that ownership of AT Medics LLP should transfer from the directors of AT Medics Ltd to Operose Health Ltd and the holding company was Centene Corporation.

### **Notification to the public**

The change in control does not change the terms set out in the APMS contract or delivery of services to patients. On a day to day basis patients and stakeholders will see no change in terms of executive, operational management and the staff employed.

Legal advice was sought who recommended that the request for the change of control and committee papers should be published in Part 1 (meeting in public). The papers for part 1 are published 1 week prior to the meeting.

### **Question 9 from Councillor Patricia Callaghan to Frances O'Callaghan**

As the five lead members across NCL we are deeply concerned about the 'apparent' takeover of local GP surgeries in Camden Haringey and Islington, by Centene a major US health company.

Apparently this was agreed at the December NCL CCG Primary Care Commissioning Committee which we are not invited to so this is the first we have heard about this deeply concerning issue. In fact Cllr Sarah James raised this very subject of privatisation at our informal meeting recently and she was assured by both yourself and Joe that we would not be going forward on further privatisation. (Sarah has written a fuller question to the committee which is meeting on Thursday)

Our question to the commissioning committee would be:

We the five Local Authority members of NCL are deeply concerned at the recent acquisition by Centene, a major American health Company, of our local GP surgeries in Camden Haringey and Islington. Our NHS over this time of the worst crisis since WW2, has been a

beacon of hope and inspiration and we do not want this to be replaced in any way by a company which concentrates on profit rather than quality. (As Cllr James has asked) can this committee reconsider their decision? Can Local Authority members, the lead members and relevant scrutiny chairs be made aware of any proposed changes such as this, which affects a large portion of our communities well before relevant decisions are taken?

### **NCL CCG Response**

#### **Can this committee reconsider their decision?**

The committee at its meeting on 17<sup>th</sup> December 2020, approved the change of control pending one final outstanding financial due diligence check.

The full list of the due diligence checks have been listed below which found no adverse findings. If the decision was overturned it may open the CCG up to legal challenge.

- Financial standing
- Bankruptcy
- Disqualification from holding an APMS contract
- Ownership
- Transfer of Patient data
- Staffing and Management changes

#### **Notification to the public**

The change in control does not change the terms set out in the APMS contract or delivery of services to patients. On a day to day basis patients and stakeholders will see no change in terms of executive, operational management and the staff employed.

Legal advice was sought who recommended that the request for the change of control and committee papers should be published in Part 1 (meeting in public). The papers for part 1 are published 1 week prior to the meeting.