



30 SEPTEMBER 2011

CCP clears Oxford merger

The Cooperation and Competition Panel (CCP) has cleared the proposed merger between the Oxford Radcliffe Hospitals NHS Trust and the Nuffield Orthopaedic Centre NHS Trust after concluding that the resulting benefits to patients outweigh any reduction in choice and competition.

CCP Director Catherine Davies said:

“This is the first case where the Panel has accepted that the benefits from a merger outweigh a reduction in patient choice and competition. The merger’s particular combination of benefits, many related to the close proximity of the two organisations, was enough in this case to swing the decision. It underlines that our approach is always focussed on the best overall outcome for local patients.”

The CCP considered the effect of the proposed transaction on patient choice and competition in routine elective orthopaedics, trauma orthopaedics, tertiary elective orthopaedics, and rehabilitation services. It found that the proposed merger will remove the ability, which currently exists, for commissioners and potentially patients to choose between these two providers for routine elective orthopaedic services.

Having found that the proposed merger is likely to have a material adverse effect on patient choice and competition in Oxford, the CCP examined whether it was likely that any patient and taxpayer benefits would accrue as a result of the transaction. In order for the parties to collect evidence to support its benefits submissions, the CCP decided to suspend its consideration of the case on 19 May 2011 and restarted the case earlier this month once evidence had been provided.

The Panel’s report concludes that a number of benefits stem from the unusual geographic proximity of the merger parties’ sites. It was accepted that the merger is likely to lead to the provision of better services, improved out-of-hours care at the Nuffield Orthopaedic Centre, improved medical research, PFI cost savings and optimisation of estate across the merged organisation. It was found likely that these benefits would be realised within a reasonable period following the merger, have a degree of longevity and impact upon patients across a wide area as well as taxpayers in general.

The CCP’s review has therefore decided that the merger is consistent with the Principles and Rules for Cooperation and Competition (Principles and Rules), in particular Principle 10, where merger benefits outweigh the costs.

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NOTES

1. More information on case can be found on the CCP's website at www.ccp-panel.org.uk/cases/Merger_of_Nuffield_Orthopaedic_Centre_NHS_Trust_and_Oxford_Radcliffe_Hospitals_NHS_Trust.html
2. The *Principles and Rules for Cooperation and Competition* form the basis of the Department of Health's policy of managing cooperation and competition in the NHS in a fair, consistent and transparent manner. The Principles and Rules aim to ensure the NHS comprises providers and commissioners who deliver the needs of their patients and populations. The role of the CCP is to advise the Secretary of State for Health and Monitor, the independent regulator of Foundation Trusts, on the application of the Principles and Rules.
3. The CCP is supported by a Clinical Reference Group (CRG), chaired by CCP Panel Member, Professor Dame Janet Husband. The CRG provides expert clinical advice on issues under consideration by the CCP and contributes to the CCP's analysis of how cooperation, patient choice and competition can be effective in improving services for NHS patients and delivering value for taxpayers.
4. For inquiries about the Cooperation and Competition Panel contact Rory Taylor, Media Advisor at media@ccpanel.gsi.gov.uk or 07554 459 507.