



## FOR IMMEDIATE RELEASE

7 August 2009

### **CCP finds ICO pilot to be consistent with cooperation and competition rules**

The Cooperation and Competition Panel (CCP) has recommended to Monitor that an Integrated Care Organisation (ICO) pilot that would see City Hospitals Sunderland acquire the Church View medical practice in Sunderland be allowed to proceed.

This recommendation follows a review of the proposed merger under the Principles and Rules for Cooperation and Competition.

CCP Director, Andrew Taylor commented:

“The proposed merger will not impose any significant costs on patients or taxpayers by reducing the scope for patient choice or competition, and will allow the benefits that might be realised from an ICO to be explored.

“There is a risk with any ICO that employs GPs that those GPs will have an incentive to refer patients to their employing hospital. However, in this case, we believe that the measures being taken by City Hospitals to protect patient choice combined with the professional obligations on GPs to refer patients appropriately is sufficient to address this risk.

“We were also reassured by the large number of other GP practices near Church View if patients wish to attend a GP surgery not linked to City Hospitals.

“Further, the small size of the Church View practice and the fact that more than 80% of Church View patients referred for secondary treatment already go to City Hospitals means that the potential for patient choice and competition to be distorted by this merger is limited.

“A further possible concern with this merger was that it might allow City Hospitals Sunderland to obtain an unfair advantage over other GPs in Sunderland through favouring patients from its own GP surgery.

“However, the small size of the Church View medical practice means that the financial benefits to City Hospitals from discriminating in favour of patients from its GP surgery would be limited. Furthermore, discrimination like this would itself be in breach of the Principles and Rules of Cooperation and Competition.”

ENDS



Notes to Editors:

1. The CCP's report on this merger is available on the CCP's website at [www.ccp-panel.org.uk](http://www.ccp-panel.org.uk).
2. The Principles and Rules for Cooperation and Competition under which this merger has been assessed state that:
  - Mergers, acquisitions, de-mergers and joint ventures are acceptable and permissible when demonstrated to be in patient and taxpayers' best interests and there remains sufficient choice and competition to ensure high quality standards of care and value for money. (Principle 9)
  - Vertical integration is permissible when demonstrated to be in patient and taxpayers' best interests and protects the primacy of the GP gatekeeper function; and there remains sufficient choice and competition to ensure high quality standards of care and value for money. (Principle 10)
3. Further information on the CCP's approach to analysing mergers is available on the CCP's website.
4. Monitor will now consider the CCP's recommendation in relation to City Hospitals Sunderland's proposed investment in Church View Medical Practice. The focus of Monitor's review is to assess the impact of the proposed transaction on the merged entity's ability to continue to comply with the terms of its Authorisation.
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