

**REFERENCE RELATING TO THE COMPLETED ACQUISITION  
BY CYGNET HEALTH CARE LIMITED AND UNIVERSAL HEALTH  
SERVICES, INC. OF THE CAMBIAN ADULT SERVICES DIVISION OF  
CAMBIAN GROUP PLC**

**Notice of provisional findings made under Rule 11.3  
of the Competition and Markets Authority Rules of Procedure<sup>1</sup>**

1. On 3 May 2017, the Competition and Markets Authority (CMA), made a reference to its chair for the constitution of a group of CMA panel members (the Inquiry Group)<sup>2</sup> in accordance with section 22 of the Enterprise Act 2002 (the Act), regarding the completed acquisition by Cygnet Health Care Limited, a wholly owned subsidiary of Universal Health Services, Inc., of the Cambian Adult Services Division of Cambian Group PLC and requiring it to report within a period ending on 17 October 2017.

**Provisional findings**

2. The Inquiry Group appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
  - (a) a relevant merger situation had been created; and
  - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within the market for the supply of hospital-based inpatient mental health rehabilitation services to local authorities and NHS clinical commissioning groups (CCGs) in the East Midlands and in the West Midlands.
3. The Inquiry Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarised in the summary of the provisional findings report (see note below).

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<sup>1</sup> See [Rules of procedure for merger, market and special reference groups: CMA17](#).

<sup>2</sup> Under Schedule 4 to the Enterprise and Regulatory Reform Act 2013.

## The next steps

4. Anyone wishing to comment on the provisional findings is now invited to provide the Inquiry Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by the Project Manager on behalf of the Inquiry Group no later than 5pm on 15 September 2017.
6. The Inquiry Group will have regard to any such reasons in making its final decisions on the statutory questions and any consequential actions. However, the Inquiry Group shall not be obliged to take into account reasons which are provided after the deadline specified in paragraph 5 above.
7. The Inquiry Group is also publishing a Notice of possible remedies which will set out the actions which it considers might be taken by the CMA to remedy the substantial lessening of competition and resultant adverse effects provisionally identified.

*(Signed)* SIMON POLITO  
*Inquiry Group Chair*  
23 August 2017

*Note:* A copy of this notice, the summary of the provisional findings report and the Notice of possible remedies will be placed on the CMA website on 23 August 2017 and the provisional findings will be placed on the CMA website on 24 August 2017. The published version of the provisional findings report will not contain any information which the Inquiry Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Comments should be made by email to [cygnet.cambian@cma.gsi.gov.uk](mailto:cygnet.cambian@cma.gsi.gov.uk) or in writing to:

Project Manager  
Cygnet/CAS merger inquiry  
Competition and Markets Authority  
Victoria House  
Southampton Row, London  
WC1B 4AD