

**ACQUISITION BY UNIVERSAL HEALTH SERVICES, INC. (UHS)
(THROUGH CYGNET HEALTH CARE LIMITED (CYGNET) OF THE
CAMBIAN ADULT SERVICES BUSINESS (CAS)**

Derogation from Interim Order

Background

- A. On 17 May 2017, the CMA made an interim order and adopted the derogations to the Phase 1 Initial Enforcement Order to that date.
- B. On 18 October 2017, the CMA published a new Interim Order following publication of its final report and the interim order of 17 May 2017 ceased to be in force by virtue of section 81(5) of the Act.
- C. The Interim Order prohibits certain actions without the prior consent of the CMA.

Derogation requests and CMA consent

- 1. On 23 November 2017, Cygnet requested derogations from the Interim Order to:
 - (a) enable the appointment of hospital managers at Sherwood Lodge and Storthfield House;
 - (b) enable the appointment of the head of Cygnet governance to take over as the Senior Information Risk Owner ("**SIRO**") of the CAS businesses (i.e. including the CAS East Midlands sites) from a CQC perspective; and
 - (c) permit two CAS commercial finance team members to receive/have access to certain Cygnet East Midlands site financial information on the same terms as previous financial derogations granted on 28 December 2016 and 13 April 2017.
- 2. After due consideration of requests from Cygnet, the CMA consents to derogations from:
 - (a) paragraph 5(i) the Interim Order, to enable the appointment of hospital managers at Sherwood Lodge and Storthfield House;
 - (b) paragraph 5(c); (i); and (l) of the Interim Order to enable the appointment of the head of Cygnet governance to take over as the Senior Information Risk Owner

("SIRO") of the CAS businesses (i.e. including the CAS East Midlands sites) from a CQC perspective; and,

- (c) paragraph 5(l) of the Interim Order to permit two CAS commercial finance team members to receive/have access to certain Cygnet East Midlands site financial information on the same terms as previous financial derogations granted on 28 December 2016 and 13 April 2017.
3. Consent is conditional upon each of the commercial finance team members entering a confidentiality and non-use undertaking in a form acceptable to the CMA.
 4. Adherence to, and any departures from, the instructions referred to in paragraphs (a) to (c) above should be covered in future compliance statements.

Signed by authority of the CMA

Simon Polito

28 November 2017