

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

Derogations from Final Undertakings

Background

- A. On 17 May 2017, the CMA made an interim order which prohibited certain actions without the prior consent of the CMA 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. On 15 December 2017 the CMA accepted Final Undertakings which provided for implementation of the remedy to the substantial lessening of competition identified in the Final Report and maintenance of certain assets.

Derogation requests

- 1. On 7 February 2018, the Parties requested derogations from the Final Undertakings to:
 - (a) Replace a Doctor at [REDACTED] and [REDACTED] facilities;
 - (b) Replace the previous clinical manager for [REDACTED]; and
 - (c) Re-introduce [a record/monitoring system] [REDACTED].

CMA's decision

- 2. The CMA's decision on the above derogation requests is as follows:
 - (a) The CMA consents to derogations from paragraph 5.2(m) of the Final Undertakings, to allow the Doctor at [REDACTED] and [REDACTED] to be replaced, provided the Monitoring Trustee is kept informed about the progress of recruitment for his replacement (both interim and permanent).

- (b) The CMA consents to derogations from paragraph 5.2(m) of the Final Undertakings, to allow the previous clinical manager of [X] to be replaced.
- (c) The CMA consents to derogations from paragraph 5.2(j) of the Final Undertakings, to re-introduce [a record/monitoring system] [X], with the condition that the systems run in parallel for a period and that the CMA and Monitoring Trustee are told of any issues identified and any required resolutions before the current relevant IT software is switched off.

Signed by authority of the CMA

Andrew Popham

15 February 2018