

## Circle Health Group and Consultants

### *Introduction*

Consultants are critical to the care patients receive at each Circle Health Group hospital. However, in common with other private healthcare operators and in most instances, Circle Health Group does not employ these consultants. Instead, most consultants working in our hospitals are self-employed practitioners who see and treat patients at our hospitals under the terms of our "Practising Privileges" policy.

In 2014, the Competition and Markets Authority issued an Order (the "**CMA Order**") regulating the relationships between private hospital groups and consultants who have Practising Privileges or treat private patients or refer them for tests at group facilities ("**Referring Clinicians**").

In accordance with the CMA Order, hospital operators are prohibited from entering into any incentive schemes that are designed to encourage Referring Clinicians to refer private patients to, or treat private patients at, their facilities. Circle Health Group does not operate any such schemes. The Order also requires hospital operators to disclose information about certain arrangements they have with Referring Clinicians, including: ownership interests held by Referring Clinicians in the hospital operator or in equipment used in the hospital; the provision of certain "high value" services to Referring Clinicians; the availability of "low value" basic amenities for Referring Clinicians; and any remuneration for services provided by Referring Clinicians to the hospital. Set out below is information about the common arrangements we have with Referring Clinicians. Further details are also available on our individual hospital webpages.

### *Higher Value Services*

We charge our Referring Clinicians for using consulting rooms at our hospitals and for medical secretarial services we provide to them. Referring Clinicians are not charged for their use of consulting rooms and/or hospital medical secretarial services in respect of their NHS patients. We also charge for rooms at the hospitals used by Referring Clinicians' own medical secretaries. The charges applicable at each of our hospitals are disclosed via our individual hospital webpages.

We offer a 25% discount to Referring Clinicians who opt to pay for use of consulting rooms on a monthly direct debit arrangement, where Referring Clinicians commit to using a room at a hospital on a regular basis for a minimum of 12 months. No reduction or refund is extended for consultant holiday or sickness or where a patient fails to attend their booked appointment.

We assess an annual charge to our 'Connected Doctors', who rely on Circle to provide certain appraisal and other professional credentialing services. This charge covers access to the L2P appraisal system used by Circle Health Group and to our in-house e-learning system.

### ***Lower Value Services***

We provide a number of support services to our Referring Clinicians, for which we do not charge. These include:

- Insurance to cover the risk of a medical claim brought by or in relation to an NHS patient, except in relation to NHS fertility patients<sup>1</sup>
- Support with patient admission and billing
- Free/subsidised tea, coffee, on-site meals and car parking (where this is available and provided to other staff working at the same hospital)
- General marketing support, such as consultant directories and promotional events

### ***General corporate hospitality***

Some Referring Clinicians provide advice or other support to us and our hospitals for which they are not paid. An example of this is our Medical Advisory Committees (MAC) at each hospital, which generally meet at least once per month. Refreshments are provided for these meetings and many of our hospitals hold an annual 'thank you' dinner for MAC members at a local restaurant.

We also arrange training and information events for Referring Clinicians and local GPs. Such events are an effective way to enhance their understanding about both our hospitals and some of the specialist services we provide. No payments are made to GPs or Referring Clinicians for attending these events, although refreshments are provided and we sometimes use (and pay for) external venues when there is insufficient space for this type of event at the relevant hospital. Sometimes we hold networking events for our GPs and Referring Clinicians which may be held off-site (such as at a football or rugby game). Some hospital or corporate managers may also invite Referring Clinicians to discuss options for developing the hospital or Circle Health Group business and these may be held over dinner.

A description of, and the cost of providing, any specific corporate hospitality events can be found on our individual hospital webpages.

### ***Financial Interests***

Some of our Referring Clinicians have financial interests in equipment used or services and facilities operated within some of our hospitals. Details of these arrangements are disclosed on our individual hospital webpages.

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<sup>1</sup> We require consultants working in our hospitals to hold appropriate clinical negligence insurance or other indemnity arrangements in place at their own cost to cover the risk of a claim from a patient with private medical insurance or who has paid for their treatment themselves.

### ***Services Arrangements***

Some of our Referring Clinicians may hold part-time positions at our hospitals, in addition to holding practising privileges there. Details of these arrangements can be found on our individual hospital webpages.

We have an arrangement with Professor Adrian Newland, Consultant Pathologist, who acts as Chairman of the Clinical Pathology Board and receives a monthly fee of £1,500 for these services.

We have a consultancy agreement with Precision Surgery Group LLP for a strategic review of the medical robotics market for £42,000 (ex. VAT). Mr Charles Evans, a Colorectal Surgeon with Practising Privileges at the Meriden Hospital, has a 25% ownership of Precision Surgery Group LLP.

We have an agreement with UKOMS (Medical) Limited to provide infection prevention and control services to 33 of our hospitals for £241,200 (ex. VAT) per year. Dr Matthias Radatz, a Neurosurgeon with Practising Privileges at Thornbury Hospital, has an indirect shareholding of approximately 15% in the company.

### ***Further Information***

If you have any questions regarding our arrangements with Referring Clinicians, please contact us by email at [company.secretary@circlehealthgroup.co.uk](mailto:company.secretary@circlehealthgroup.co.uk).

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