

Letter to the Rt. Hon. Matt Hancock, MP, Secretary of State for Health and Social Care

Ministerial Correspondence and Public Enquiries Unit
Department of Health and Social Care
39 Victoria Street
London
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United Kingdom

(Sent via the DHSC online 'Contact Form')

22 February 2021

Dear Mr Hancock,

Centene's take-over of GP services in London: request for an investigation by the Care Quality Commission under section 48 of the Health and Social Care Act 2008

The purpose of this letter is to ask you to exercise your power under the above section to request the Care Quality Commission to conduct an investigation into the exercise of the functions under the National Health Service Act 2006 of NHS England (NHSE) and the 13 clinical commissioning groups (CCGs) involved in authorising the take-over of GP services of AT Medics Limited by the major US health insurer, Centene Corporation.

Directions given by you in 2019 require that the Alternative Provider Medical Services (APMS) contracts under which most of these practices operate must specify that the "contractor must not sell, assign or otherwise dispose of the benefit of any of its rights under the APMS contract without the prior consent of [NHS England]".

Whilst we imagine you will not be sympathetic to those of us who consider that US health insurers have no place in the provision of NHS services, we ask you to consider carefully the reasons for our request which on any objective analysis we submit are compelling.

1. Background

On 10 February 2021, Centene took over control of AT Medics Limited's GP surgeries across London serving 375,000 patients. Centene has already been running GP and community services in England through its UK subsidiary Operose Health Limited (Operose). But this deal marks a significant ramping up of their operations.

AT Medics Limited was set up in 2004 with Asmah Naz Qureshi (occupation: student) as director and Dr Muhammad Aumran Tahir (occupation: GP) as secretary. Its registered office was in High Wycombe and its first object was to carry on the business of a general commercial company. Since then it has developed enormously to run 49 surgeries, hubs and extended access services across 19 London boroughs, with at least 34 Alternative Provider Medical Services (APMS) contracts and a few NHS Standard contracts covering at least 13 clinical commissioning groups (CCGs). It reported a profit after tax of £7.12m for the year to March 2020, and totalling £28.4m for the five years from 2016-2020.

In July 2019, AT Medics Holdings Limited Liability Partnership (Holdings LLP) was incorporated. Upon incorporation, Holdings LLP had six designated members. These six were the then directors of AT Medics Limited - Dr Hasnain Abbasi, Dr Muhammad Quraishi, Dr Tarek Radwan, Dr Mohammad Tahir, Dr Muneeb Choudhry and Dr Fiyaz Lebbe – all of whom had been directors since the early years. These six, with what seem, from addresses on records at Companies House (CH), to be their partners or friends, also – in July 2019 - held all the shares in ATM Limited.

On 8 August 2019, the shares in AT Medics Limited were re-classified and some of the directors' shares were transferred to (what we assume) were their partners or friends. On 1 September 2019, all the shareholders in AT Medics Limited transferred all their shares to Holdings LLP. This amounted to a change in the controlling interest of AT Medics Limited, from the individual shareholders, to Holdings LLP. It therefore required prior authorisation of commissioners under the APMS contracts. It is not currently known whether prior authorisation was sought or given. Notification to CH that the six directors ceased to be persons with significant control in relation to AT Medics Limited was only given in March 2020.

Notification of Holdings LLP as a registrable 'relevant legal entity' in AT Medics Ltd was given to CH in September 2019, on the bases that Holdings LLP held 75% or more of both shares and voting rights. In October 2020, CH was further notified that Holdings LLP also had the right to appoint or remove a majority of the board.

At some currently undisclosed point, AT Medics Limited sought prior authorisation from commissioners for the control of Holdings LLP – i.e., its membership - to transfer from the individuals who were also directors and shareholders of AT Medics Limited, to Operose Health Limited (previously Centene UK Limited), a subsidiary of Centene Corporation.

Meetings of some CCG Primary Care Commissioning Committees have been cancelled, and few documents have been published by the 13 CCGs involved: Barking & Dagenham, Brent, Central London, City & Hackney, Hammersmith & Fulham, Harrow, Newham, North Central London (NCL), Redbridge, Tower Hamlets, West London, South West London and South East London.

On 17 December 2020, conditional authorisation was given in respect of contracts for eight practices in Camden, Islington and Haringey, by NCL CCG's Primary Care Commissioning Committee at a virtual meeting. The public were excluded from participation in the online meeting, although it was a 'meeting in public'. A recording was posted online after the meeting. A due diligence report had been prepared, led by South East London CCG.

The item lasted less than 9 minutes during which nobody spoke except the chair and the presenter. No mention was made of Centene, by the presenter or in the briefing paper for the meeting. The presenter said that the Board of Directors of AT Medics Limited would not change. (The condition was that CH gave Operose the financial all clear, which apparently they subsequently did - though their accounts for 2019 have been overdue and, at the time of writing this letter, had been sent to CH and are being processed, and so are not currently publicly available).

On 9 February 2021 Central London CCG gave its approval for the Randolph surgery contract.

On 10 February 2021, contrary to what was said at the NCL CCG meeting on 17 December, the directors of AT Medics Limited resigned.

They were replaced by Samantha Jones - CEO and director of Operose Health Limited since January 2019, director of 3 other Centene subsidiaries, and ex-head of NHSE's new care models programme; by Nick Harding - director of Operose Health Corporate Management Limited since September 2019,

and formerly Senior Medical Advisor to NHSE for Integrated Care Systems and Right Care; and by one other Centene nominee. On the same day, Operose Health Limited and MH Services International (UK) Limited, another Centene company, took control of Holdings LLP by becoming designated members.

On 18 February, NCL CCG PCCC held a further virtual meeting. The public were again excluded, except that councillors holding 'the health briefs' from the five NCL boroughs (Barnet, Camden, Enfield, Haringey and Islington) were permitted to attend and to speak during the first part of the meeting at which this matter was discussed. The public were permitted to submit written questions in advance of the meeting, and written responses were provided after the meeting. Requests for the PCCC to revoke or reconsider the authorisations were rejected.

It subsequently emerged from one of the NCL CCG PCCC's responses to written questions submitted for its 18 February meeting, that the authorisation decision will be decided by the CCG Chair after a final due diligence check at an urgent decision meeting to be scheduled on an unspecified day in week commencing 22 February.

It also emerged in other responses to written questions that further advice was being sought about the change of control in September 2019 where prior authorisation may not have been sought, or not given; and that the PCCC held private ("Part 2") discussions of this matter on 14 December and also on 17 December, so the PCCC's community members were excluded.

2. Matters to be investigated

We submit that an investigation is warranted into all the CCGs involved, and into the advice and/or instructions given to them by NHS England and NHS England's solicitors, on the following grounds.

(1) Lack of CCG openness and transparency, and misrepresentation

Most of the CCGs have published **nothing** about this significant change, and held no meetings in public. NCL CCG PCCC (to its comparative credit) has published more than any of the CCGs, but has held no meetings in public (save that councillors were exceptionally permitted to attend and speak at the 18 February meeting); kept mention of Centene out of the public sphere until after its decision was made; and wrongly informed the 17 December meeting that the board of directors of AT Medics Limited would not change.

This lack of openness and transparency, and even misrepresentation, cannot have occurred accidentally. Why this happened must be investigated.

(2) Inadequate and secret due diligence process

The report of the due diligence exercise conducted prior to authorisation remains unpublished. It was led by South East London CCG. There is nothing presently in the public domain to indicate that it addressed the change of control which occurred in September 2019. If, as seems to be the case, the change occurred without the prior authorisation of commissioners, that is a serious breach under paragraph 63 of the APMS contract. The commissioner is entitled to serve notice in writing on the contractor forthwith, or with effect from such date as may be specified in the notice. It is necessary to investigate and make public the due diligence process in order to confirm that the process did not address this, or if it did, why the matter was not brought to the attention of the (other) CCGs; and why it was deemed appropriate to proceed with authorising the later, requested change of control.

(3) The unclear role of NHS England

The commissioning of primary medical services is the statutory duty of NHS England. It is not entirely clear from public information, but it appears that all the CCGs involved in authorising the Centene take-over “have fully delegated responsibility for the commissioning and contract management of primary medical care” according to NHSE’s website. Under the terms of the delegation “[t]he decisions of the CCG [Primary Care] Committee shall be binding on NHS England and [the] CCG”.

It is impossible to know, however, from information in the public domain, precisely the terms of the delegation, as the actual Delegation Agreements have not been published.

From statements of the Chair of the NCL CCG PCCC at the meetings on 17 December and 18 February, the impression is given that the CCG was afforded no room for manoeuvre in this matter by NHS England, and by the interpretation of the rules by NHS England’s solicitors.

The investigation should therefore also look into the role, advice and instructions of and on behalf of NHSE in relation to the CCGs, and the transparency of the delegation, and establish whether any improper influence or control was exerted.

In conclusion, this matter is an example of the privatisation of the NHS by stealth to which we have consistently drawn attention, and which you have, equally consistently, dismissed. We do not expect you to change your point of view, but we are entitled to expect you to consider the matter objectively in light of the evidence and to make your decision on our request fairly.

We look forward to hearing from you as soon as possible.

Yours sincerely,

Colin Hutchinson, Chair, Doctors for the NHS

Jackie Applebee, Chair, Doctors in Unite

Louise Irvine, Secretary, Health Campaigns Together

John Puntis, co-Chair, Keep Our NHS Public

Paul Evans, Director, NHS Support Federation

Brian Fisher, Chair, Socialist Health Association

Steve Carne, 999 Call for the NHS

Allyson Pollock

Peter Roderick [name, phone number and email address inserted in the online Contact Form]