5 NWL CCGs taken to Court by private company - *InHealth*

Five clinical commissioning groups have been accused of acting unlawfully in their decision to award a contract for community diagnostic services to a new private provider last year.

Brent, Central London, Ealing, Hammersmith and Fulham, and West London CCGs decided to award a five-year, £15.6m contract for community diagnostic services to Healthshare rather than to incumbent provider InHealth.

InHealth has told the High Court: "The CCGs conducted the procurement, including the evaluation of tenders submitted by the claimant and Healthshare unlawfully in breach of its obligations [under procurement law]."

InHealth said the rules the CCGs breached included those requiring them to act transparently and to treat the bidders equally.

The CCGs have denied they breached their legal obligations when evaluating the two tenders and have provided detailed rebuttals in their own submission to the High Court.

The five CCGs had individually contracted InHealth, also a private provider, for a decade as secondary care providers lacked the capacity to meet demand for diagnostic services, according to an analysis by the commissioners.

Last year, the CCGs decided to combine their contracts into a single tender to continue to bolster community-based diagnostic services and develop a service "with a central strategy to optimise value," according to the tender documents.

This was "crucial" because "one of the unintended consequences" of the north west London health system's attempts to reduce outpatient referrals "may be a rise in primary-care diagnostic requests".

InHealth has an annual turnover of £165m with profit before tax of £4.5m, according to its latest company accounts. It employs more than 2,200 people providing diagnostic services across 60 locations in the UK.

Last year, it was involved in a controversial procurement process, in which the company was initially awarded a contract to be the sole provider of specialist PET-CT cancer scans in the Thames Valley area.

This NHS England decision, effectively stripping the scanning role from Oxford University Hospitals Foundation Trust, was changed after it was referred to the health secretary. OUH is now providing cancer scans in partnership with InHealth.

In its latest accounts, Healthshare described itself as "one of the largest independent providers of integrated community [musculoskeletal] services in the UK". It "provides solely to the NHS" and it cares for "over 250,000 NHS patients per annum".

In December 2018, it bought Global Diagnostics Limited, adding community diagnostic services to its existing MSK provision. The company reported £16.9m group turnover for 2018-19, with a profit after tax of £2m.

The CCGs were approached for comment.

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