European healthcare services, multinational companies and a European healthcare market

Major trends and eligibility for European Works Councils

by

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Executive Summary

- The draft Directive on Cross border healthcare presents a threat to patients rights and the future of solidarity and universality within national healthcare systems
- Global services companies have adopted expansion strategies outside Europe, since 2007
- Healthcare companies have consolidated but maintained their influence within public healthcare systems
- High technology companies are expanding across Europe and entering public healthcare systems with a range of different strategies
- A cross-European healthcare market is taking shape

This paper reviews multinational companies involved in the healthcare sector in 2010, focusing on companies that either have, or are eligible for a European Works Council (EWC). The paper starts with an outline of European Works Councils in EU legislation, followed by public health and healthcare policy in Europe. This is followed by an overview of issues facing multinational companies involved in the healthcare sector. A series of short company profiles includes a) companies eligible for EWCs, and b) companies not yet eligible for EWCs but which have shown signs of expansion outside their domestic market.

1 European Works Councils and EU legislation

The European Works Councils (EWC) Directive, initially adopted in 1994[1], aims to improve the right of workers to information and consultation in trans-national companies. It requires transnational companies to establish information and consultation agreements covering their entire European workforce, if they have not already done so. The content of these agreements is largely left to negotiation between management and employee representatives, but minimum requirements where management refuses to negotiate, include the requirement of annual reports to the EWC on the company's business prospects, and the right to be informed about exceptional circumstances affecting employees' interests, such as closure or collective redundancy.

The EWC directive applies to companies, [2] or groups of companies[3], with

- at least 1000[4] employees across the member states, [5] *and*
- at least 150 employees in each of two or more distinct member states.

These employment criteria represent minimum conditions. Companies that meet them are obliged to establish an EWC, but companies which do not meet them may nonetheless choose to establish one voluntarily. In a number of cases companies have chosen to do so, whether it be for purposes of labour relations, prestige in order to demonstrate Europe-wide coverage, or, in the case of UK during its opt out, in the expectation of the future introduction of a legal obligation.

The directive was revised in 2008 following an agreement on amendments by the European social partners (ETUC and employers). On 23 April 2009 a revised directive on European Works Councils (EWCs) was adopted 2009/38/EC. This has to be transposed into national legislation by June 2011. The thresholds were not changed.

The most important changes in the recast directive 2009/38/EC relate to:

- Inclusion of a definition of information
- Improvement of the definition of consultation
- Inclusion of a definition of transnationality and clarification of the transnational competence of EWCs
- Link between various levels of employee information and consultation
- Employers' obligation to provide EWC members with training
- Facilities provided to the SNB, such as pre and post meetings, the presence of experts – including trade union members- in the negotiation meetings
- Obligation to inform the European social partners of negotiations (= recognition of the role of the European social partners)
- Mandate for the employee reps in the EWC to collectively represent the employees and obligation for the management to provide the EWC with means necessary to perform this function (www. http://www.worker-participation.eu/European-Works-Councils/Recast-2009)

2 Health policy in Europe

2.1 Historical background

Historically, health competences at EU level have been developed to promote a common market. Other aspects of health policy have evolved as a result of policy developments in related fields. Health policy has traditionally been caught between the EU Treaties implemented through European legislation and the European Court of Justice (ECJ), and policy making which has been consensual between member states. Recently, the ECJ has had an influence on health policy in the fields of health care, medicines, environment, workplace health and safety and pharmaceuticals/ distribution. Health care has been most strongly influenced by the concept of subsidiarity with national governments considering national health care systems to be their own responsibility. The publication of a draft Communication on Cross-border health care in was a significant step in the development of EU level healthcare policy.

The Single European Act of 1986 established an extension of the Community actions in relation to health although health policy was not treated as a separate policy area. It did extend the scope of occupational health and safety, and environmental and consumer protection.[6]

The Treaty of European Union (Maastricht Treaty) of 1992 amended the Treaty of Rome with a formalisation of the powers relating to health care. Article 3(o) "*contributes to the attainments of a high level of health protection*". Article 129 dealt with public health and the prevention of disease and provided a framework for working towards health protection. Article 3(b) established the principle of subsidiarity especially in relation to health care, which has effectively limited the Community's role in health.

The Treaty of Amsterdam resulting from the Intergovernmental Conference of 1997 and finally ratified in 1999 has a specific Article 152 relating to public health. [7] It states

> *"Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating scourges of danger to human health*".

It also states

> *"Community action in the field of public health shall fully respect the responsibilities of the Member States for the organisation and delivery of health services and medical care".*

There was also a reassertion of the subsidiarity principle in relation to health care systems.

As a result of agreeing Article 152, a new Directorate was set up for Health and Consumer Affairs, which drafts proposals for legislation. The European Parliament deals with health issues through the Committee for Environment, Public Health and Consumer Protection. Health policy actually cuts across all directives and there is no coherent health strategy, although the issue of cross-border health care has the potential to emerge as an EU health care policy.

2.2 Reform Treaty and public health

The former Constitutional Treaty introduced two significant elements on public health. The "*well being*" of people living in Europe became an aim of the EU (article I-3: the Union's objectives). Access to preventive health care and treatment was recognised as fundamentally right (article II-95).[8] The abandonment of the Constitutional Treaty and the introduction of the Reform Treaty resulted in the dilution of a new public health mandate. However, there was a recognition of the continued responsibilities of the Member states to implement health services and medical care[9].

"Everyone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices. A high level of human health protection shall be ensured in the definition and implementation of all the Union's policies and activities."[10]

The Lisbon Treaty/ Reform Treaty (2007) included a protocol on Services of General Interest, which recognises the continued role of national governments in developing policies and organising services, such as health.

The Protocol states that:

"*The shared values of the Union in respect of services of general economic interest within the meaning of Article 16 of the Treaty on the Functioning of the European Union include in particular:*

- *The essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users;*

- *The diversity between various services of general economic interest and the differences in needs and preferences of users that may result from different geographical, social or cultural situations;*

- *A high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights.*

The provisions of the treaties do not affect in any way the competence of Member States to provide, commission and organise non-economic services of general interest." [11]

This protocol is legally binding but does not have concrete provisions so it is unclear what influence it will have apart from emphasizing the importance of services of general interest.[12]

2.3 Healthcare and competition policy

Subsidiarity has been an important principle that has enabled national health services in Europe to determine their own policies but the impact of several EU Directives, for example, the movement of professionals, is beginning to influence national health systems directly.

One of the major issues facing national healthcare systems is whether healthcare institutions are subject to competition law. The key question is whether they engage in economic activity. Each activity has to be judged on its merits. However, the results of health care reforms often mean that with the introduction of market mechanisms and decentralisation, healthcare institutions are more likely to be considered subject to competition law. This makes them less obviously defined as "*Services of General Interest* (SGI)".

Several rulings by the European Court of Justice (ECJ) have ruled in favour of increasing the choices available to the patient or healthcare consumer, by accessing healthcare in another EU country. This has made national governments more aware of the implications of greater consumer choice in healthcare, policies, which many governments, themselves, are promoting. The combination of an increasing demand for healthcare services, with increased choice, will result in more patients being treated in countries, which are not the patient's main place of residence. The ECJ has ruled in favour of patients who move to other member states without having prior approval for non-hospital treatments, then pay for treatment received and can claim a refund from their home institutions. "In cases where the patient did receive prior authorisation, it:

- should be delivered following a transparent and timely procedure, subject to judicial or semi-judicial control;
- should not results in patients receiving less money from what they would have received if they had stayed in state of origin;
- could not be refused treatment on purely national criteria;
- should be given if home member state is unable to provide treatment in reasonable time.

This last point refers to the Watts case, in the UK, where a long waiting list, was presented as the reason for pursuing cross-border treatment. [13]

2.4 Internal market for services

Since 2004, the internal market has been having an increased influence on national healthcare services. In January 2004, the European Commission presented a proposed Directive on services in the internal market, which aimed to provide a legal framework to eliminate obstacles for the establishment of service providers and barriers to the free movement of services.[14] This had several implications for the healthcare sector. Positively, it is expected to improve access to outpatient care because of simplifying the process of reimbursement of healthcare delivered to a patient in another Member state although some measures will have to be taken to avoid disparities between healthcare systems in certain countries.

The final version of the Services Directive, approved by the European Parliament, excluded health and social care services. It was felt that the "*specificities of health service were not ..taken into account*" [15] This was considered a major achievement for those campaigning against the Services Directive.

In September 2006, the Commission issued a consultation paper on community action on health services. It states that community action on health services should be based on two elements:

- **Legal certainty** – to apply the legal findings of the ECJ rulings in relation to Treaty provision in relation to free movement of patients, professionals and health services i.e. cross border care
- **Support for member states** – where European action can add value to national action for health services[16]

The results of consultation showed that respondents felt that:

- There was a lack of up to date information on cross border care
- Patients needed more information
- Responsibility for clinical oversight had to be in the country of treatment
- There was concern about the potential for undermining national health care systems
- Any European Commission proposal, on health services, should respect common values and principles in EU health systems
- Continued respect for the subsidiarity principle was important
- There were mixed views about need for "*supportive tools*" or legally binding measures [17]

In 2007 a review of the internal market was instigated by the European Commission, which emphasised the benefits of the internal market for the citizen, bringing in the consumer and social dimensions. Services of General Interest (SGI) were to have an essential role to play in this process.

Groups within the European Parliament, for example, the Socialist Party of Europe, and the Council/ Committee of the Regions and the European Economic and Social Committee (EESC), support the campaign for a Services of General Interest (SGI) framework. However, there is little evidence to show that a framework for SGIs will address the issues raised by the internal market and national health and social care policies. The European Commission is pursuing its internal market policies, with only minimal commitment to establishing a framework of Services of General Interest. There is some evidence that the

European Commission has been trying to influence the development of the internal market on healthcare in Europe [18] [19]

In 2007, the European Commission issued a 'Communication on the creation of a 21st century European market'. Improved information on pharmaceutical products and services would help patients to make more informed decisions about their health. In 2007, a new territorial instrument "*European Grouping for Territorial Cooperation*" was published which would help to develop cooperative arrangements across borders in areas such as health (European Commission, 2007).

2.5 Cross-border healthcare

In July 2008, the Commission issued a draft Directive on ' The application of patients' rights in cross-border healthcare' which sets out:
a) Common principles for health care which Member states should take responsibility for.
b) A specific framework for cross-border healthcare
c) European cooperation on healthcare [20]

The Directive aimed to provide clarity about the rights of patients who cross national borders to access health care, in the light of recent decisions by the ECJ [21]. The ECJ has ruled in favour of the internal market, rather than national health care systems. The draft Directive is based on Article 95 of the Treaty, which concerns the internal market. It presents the Directive as facilitating more effective European cooperation in health care). With the emphasis on the internal market, it also raises some fundamental questions about patient rights and the future of solidarity and universality, within national health care systems.

The impact of cross border health care on the financing and funding of public health care systems is one area where there is the greatest uncertainty. Any expansion of cross border health care will be expected to impact on national funding systems. There may be a similar impact on the providers of health care.

Cross border health care may impact on both the practice of health professionals and their career mobility. EU Directives relating to free movement of health professionals are based on a provision for mutual recognition of qualifications. Educational programmes have to comply with basic standards, which are usually defined in relation to length of training. Health professionals are considered to have reached the level of competence to work anywhere in the EU once they have completed a series of qualifications, defined by length of training. [22] Cross border healthcare may reduce the element of choice of where health professionals are expected to work.

Although there has been no final agreement on the Cross border healthcare Directive, the development of a European healthcare market remains a central issue for national healthcare systems. The Monti Report on the Future of the Internal Market recommends that some "supporting actions can be taken to foster market integration in the health sector"[23]. These include, benchmarking and promoting the use of the best e-health technologies to facilitate decision-making in national healthcare systems. The 2020 Strategy, a 'European Strategy for smart, inclusive, sustainable growth' highlights the importance of healthy life and health is one of the key challenges facing European society. Although mentioning health inequalities and healthy ageing, there is an emphasis on the use and potential of on-line health services.

2.6 Company action against national governments

The implications of European health care policy, which is strongly influenced by internal market legislation, can be seen in recent cases where multinational companies have started legal proceedings against national governments, which have recently changed national health care policies away from privatization towards more universal, publicly delivered health policies. The case of the Slovak government shows how both EU internal market legislation and bi-lateral investment treaties are being used to challenge national health policies which reduce the role of the private sector.

In 2004, the Slovakian government introduced private health insurance schemes and several companies were set up to take advantage of this new market. In 2007, with a change of government, there was a change in legislation, which reduced the role of the private sector. The new legislation also introduced a new provision that health insurance companies could only use their profits to reinvest in the health insurance business. This new legislation is being challenged by two multinational companies, Penta and Eureko.

The Slovakian government is facing three legal challenges. The European Commission is investigating if the 2007 legislation breaches the fundamental principle of free movement of capital within the EU. Penta, a private equity company which owns two of the insurance companies, is using an investment treaty between the Netherlands and the former Czechoslovakia to take the case to arbitration to claim compensation for lost profits. Private companies are also challenging the law as unconstitutional.

Penta invests in a range of different sectors in Central and Eastern Europe, with some investments in health care in the Czech Republic and Slovakia. The compensation claim is being made by HICEE, a Dutch company owned by Penta. HICEE owns two Slovak private insurance companies, Dovera (100%) and Apollo (50%). These two companies are planning to merge, which will create a company with 1.4 million clients.

The Netherlands-Czechoslovakia treaty was an investment treaty signed by both countries in 1991. Although Czechoslovakia no longer exists as a country, both the Czech Republic and the Slovak Republic have inherited the treaty. The clause that is the basis for the legal challenge covers the encouragement and reciprocal protection of investments.

The Eureko Group is also challenging the legislation on the basis of the 1991 joint investment treaty. Eureko is a Dutch company which invests in health and life insurance and pensions in countries throughout Europe and Turkey. It main shareholders are Achmea (54%) and Rabobank (39%) and it has 25,000 employees.

It bought 33% of the Polish health insurance company PZU, from the Polish government in 1999. The Polish government was expected to float PZU on the stock exchange in 2001 but this flotation was cancelled. Eureko had expected to gain a majority stake in PZU after flotation but the Polish government would not sell any more shares. Eureko went to arbitration, using a joint Netherlands- Poland investment protection treaty. It successfully forced the Polish government to pay €2billion compensation and to make a policy commitment to further privatization by winning arbitration awards in 2005 and 2007. The Polish government still owns 55% of PZU.

More information on these cases is available at www.psiru.org (Challenges to Slovakia and Policy health policy decisions)

2.7 Public-Private Partnerships (PPPs)

Several healthcare companies have established public-private partnerships in Europe.

Company	Country	Projects	Date
Fresenius	Austria Bosnia	Radiation centre, Upper Austria (VAMED) Other PPP projects in development in Central Europe	
Capio	Sweden	Valdemoro, Madrid, Spain	2006
BUPA/ Sanitas	Spain	Manises Hospital, Valencia, Spain	2007

In the United Kingdom, the use of Public Private Finance Initiative has been used widely in the healthcare sector for the last 15 years. There is now enough evidence to show the impact of this type of funding and management on health services and the healthcare system.

In 1992, the Private Finance Initiative (PFI) was introduced by the Conservative government to fund infrastructure developments. This policy was continued by the Labour government after 1997. In the health sector, the Private Finance Initiative has been used to build or re-build hospitals. NHS Hospital Trusts have entered into a partnership with a consortium of construction, facilities management and finance companies. There has been extensive analysis of the terms of the financing arrangements which underpin PFI deals [24] The main criticisms are:

- Inflexibility of contracts;
- Lack of evidence of value for money;
- Long term implications for the NHS and public sector payments control of resources;
- High transaction costs;
- Limited risk transfer;
- Private sector quality.

Since 2000, several PFI funded hospitals have been completed. The poor financial position of these new hospitals is providing evidence of the limitations of the PFI policy. The payments that the new hospitals are making to their private sector partners will have a significant influence on the ability of these hospitals to continue to provide services in the future. Their problems will also impact on other local hospitals. A new system of costing health care services, introduced by central government, is also influencing the financial position of the new PFI hospitals because the new system is unable to adjust to increased PFI costs. In addition, there are examples of the consortia of companies involved in PFI contracts, refinancing the deals, resulting in higher returns to shareholders but with little benefit to the taxpayer or NHS. These problems will be discussed below.

2.7.1 Impact of debt on future services

PFI contracts are often 30 years or longer. Although PFI initiatives have been presented as a way of borrowing money to fund infrastructure development, it would have been cheaper for government to borrow money directly rather that set up complex arrangements with the private sector. Hospitals pay two types of charges to the private sector consortium involved in building the hospital. Service changes cover the costs of provision of services. Availability charges cover the costs of capital assets. There are three types of costs covered by availability charges:
a) interest / principal payments on the debt taken out by the consortium; b) build up of capital resources required to cover costs of expenditure for maintaining the condition of the facilities; and c) payment of dividends to shareholders of companies in the consortium. Unless there are significant changes to the contract or the consortium fails to reach agreed standards, the availability charges do not change over the period of the contract. [25]

In addition, the introduction of a new system of tariffs for health services, called ‘Payment by Results’, has made it more difficult for PFI hospitals. Under the new tariff system, 5.8% of income is allocated to capital projects. However payments under PFI are often 8.5% of hospital income, which is higher than allocated under the new tariff system. The difference will have to be funded by drawing on income allocated for services. [26]

The Queen Elizabeth Hospital, Greenwich, was one of the first PFI funded hospitals to open in 2001. By 2005, it announced that it was technically insolvent. The auditors, PWC announced that the annual deficit of the hospital in 2005 was £19.7 million and would be £100 million by 2008-09 unless the PFI debt was restructured by the government. PWC reported

> *"Once a trust has posted a significant deficit, it is very difficult to recover the cumulative position without financial support ... It does not appear possible for the trust to generate the necessary level of saving ... Nor could the trust provide the existing level of services expected of an acute NHS trust if it were required to recover the deficits*." [27]

A report from the South London and Maudsley Strategic Health Authority pointed to the links between PFI charges and the financial position of the Queen Elizabeth Hospital (QEH) NHS Trust. It reported:

> *“QEH also has a significant underlying recurring cash flow deficit arising because the cash costs of the PFI availability charge exceed the funding for capital charges in the tariffs. At end-2005/6 it had a total debt payable to the SHA of £52 million and this had increased to about £65million by end-2006/7 despite the substantial cash saving cost improvement programme (CIPs) achieved during the year.*[28]

In 2007, the QEH announced cuts of around 10% in clinical services.

2.7.2 Impact on other hospitals

High PFI payments do not just impact on that one PFI hospital, they also impact on other local hospitals. When one or more hospitals are bankrupt in a health district, other hospitals are affected. Due to the difficulties in rescheduling the debt payments, it is easier to reduce NHS expenditure in a non-PFI hospital.

This can be seen in the case of south east London, where two PFI hospitals are technically bankrupt - the Queen Elizabeth Hospital, Woolwich and the Bromley Hospitals NHS Trust.

A report, *The Implications of Fixed Costs and PFI Schemes for Service Redesign in SE London*, was produced by the NHS as part of a consultation over the future of services in the boroughs of Bromley, Lambeth, Bexley, Lewisham, Greenwich and Southwark. It concluded that:

> *"The site where there is greatest scope to reduce fixed costs is Queen Mary's Sidcup. If hospital infrastructure is reduced at Queen Mary's Sidcup then the surplus estate can be sold or leased with a resulting improvement in the recurrent financial position across the sector."*[29]

In 2009, the two PFI hospitals, Queen Elizabeth Hospital, Woolwich and Bromley Hospitals NHS Trust, and Queen Mary's Hospital Sidcup merged to form the South London Healthcare Trust, which in 2010 is still facing financial problems, resulting in staff cuts.

2.7.3 Problems of planning and payments system

Many PFI deals were based on a need to replace existing hospitals, which were often built several decades ago. They were also based on an assumption that the delivery of acute services would continue to take place within a hospital. These assumptions are being challenged because of the use of non-NHS providers, which has resulted in 10% of NHS patients being treated in the independent sector, after 2008. There have also been developments in care which no longer have to be delivered in a hospital setting. A recent White Paper, 'Our Health, Our Care, Our Say', (2006) sets out a policy of encouraging the delivery of care in homes and communities.[30]

The costs of breaking or rescheduling the PFI contracts are high, which is why it is difficult to re-negotiate contracts. In addition, some of the consortia involved in PFI projects have renegotiated the financing arrangements. One of best documented examples is the case of the Norfolk and Norwich University Hospital NHS Trust. The consortium of companies involved in this PFI deal is called Octagon. In 2003, five years after the original PFI deal, Octagon renegotiated the financing by increasing the amount of money borrowed from £200 million to £306 million. After other adjustments, the refinancing totalled £116 million. Octagon retained £82 million to increase the internal rate of return for investors. This increased from 19% in 1998 to 60% in 2003. The NHS Trust secured £34 million from this refinancing deal but only by extending the PFI contract from 34 to 39 years. This gain would only be paid gradually over the term of the contract. It also increased the cost of breaking the contract early to £257 million. [31]

The UK Parliament Health Select Committee concluded that the gains achieved by Octagon shareholders and the terms which the NHS Trust renegotiated by extending the terms of the PFI contract were unacceptable. [32] The report concluded that

> *"We would not expect to see another Accounting Officer appearing before this Committee defending what we believe to be the unacceptable face of capitalism in the consortium's dealing with the public sector."* [33]

It is not only the costs of breaking a PFI deal that are leading to a loss of NHS resources. Five PFI deals have negotiated separate land leases that are longer than the PFI hospital management contracts. A 60-year PFI contract signed by Darent Valley Hospital in Kent gives contractors a 75-year leasehold. Dartford and Gravesham NHS Trust private-sector partners have been given a land and assets lease for 40 years. The contractors Skanska and Innisfree will gain the right to use the land and buildings of the Queen Elizabeth Hospital, Greenwich, until 2126. [34]

There are several problems emerging from PFI hospitals that have the potential to threaten the provision of NHS health care services in future. The level of payments that hospitals will have to make over periods of 30 years or more, is already having an impact on services. In some cases, there have already been cuts in services at the hospitals or neighbouring hospitals. As more PFI hospitals are completed, the level of payments made by the NHS will expand, leading to more financial crises. In August 2010 it was reported that the £11.3bn construction cost of 103 hospitals has risen to £65bn under PFI arrangements[35]. At a time of severe reductions in public sector expenditure, these additional costs will impact on future service provision.

3 Company overview

This section outlines some of the key issues emerging in the development of multinational companies in the healthcare sector in Europe. Companies involved in the healthcare sector in Europe can be divided into three main groups, which are not exclusive:

- Service companies – facilities management
- High tech equipment
- Healthcare companies that provide healthcare directly

In the light of the proposed Directive on cross border healthcare, there are several company developments, which contribute to strengthening a European healthcare market.

3.1 Service/ facilities management companies

Global services companies, such as Compass, ISS, Sodexho, Rentokil-Initial, and Aramark, deliver a range of support services for several sectors, including the healthcare sector. They deliver services such as catering, cleaning, buildings management, portering, and reception, which are increasingly grouped together as facilities management.

There have been changes in relation to the type of contracts that companies have taken on since the mid 1990s.The level of risk that the contractor is expected to take on has increased. This can be seen in the move from '*cost-plus*' contract, where the contractor charges a management fee and charges the costs to the client, to '*total risk*' contracts, where the contractor rents space from a client and provides and markets services on-site.[36]

There has been a process of consolidation of companies in this sector, with larger companies buying small catering or cleaning companies.[37] Before the global credit and financial crisis, global service companies were already trying to move into new markets or were consolidating their share of the facilities management market in the public healthcare sector.

Since the entry of countries from Central and Eastern Europe into the European Union, several global service companies have expanded into the 'new' EU member states. Central and Eastern European countries are seen as emerging markets for catering, cleaning and facilities management industries.

Aramark, Compass, ISS, Sodexho and Rentokil-Initial all have European Works Councils. These companies are active in the health care sectors to varying degrees. ISS and Sodexho both have extensive facilities management activities in the healthcare sector. ISS, Aramark and Sodexho were all delisted, following private equity takeovers, between 2005 and 2007 and remain unlisted.

3.2 High technology healthcare companies

By 2007, a small group of healthcare companies were delivering services in several European companies. Although the expansion since 2007 has slowed down, there has also been a consolidation of pan-European growth. This is evidence that the strategies for expanding work with public healthcare sectors have led to continued growth. The trend has been towards a contracting out of clinical services rather than an expansion of public –private partnerships in hospital development, although these continue to come to fruition.

A third group of healthcare companies, which is becoming more dominant, has emerged in the last five years. Companies that either own or manage high technology equipment, such as CT scanners, have expanded into the public healthcare sectors. Two companies, which started their activities in Eastern and Central Europe have started to expand into Western Europe. This move can be seen as an indication of how public healthcare sectors are contracting-out services for high technology diagnosis or treatment to private companies. This means that the employment position of the health professionals operating the equipment may range from direct employment to self-employment. The extent of contracting-out of these services varies according to the level of commercialisation within the public healthcare sector. Companies that have expanded their work with the public healthcare sectors in several countries include the Alliance Medical Group, Euromedic International, Medicover and Diaverum.

Companies will be considered in the following groups.

Companies eligible for EWCs	Non eligible
Alliance Medical Group Aramark BUPA Capio Carema Cinven Compass Diaverum (formerly Gambro) Euromedic International Fresenius ISS Medicover Rentokil Sodexho	Adeslas Generale de Sante Jose de Mello Saude

4 EWC eligible companies

Company name (company's major owner)	Major presence in Europe (countries)	Workers			EWC (date introduced)
		Worldwide	**Europe**	**Other**	
Alliance Medical Group	Germany, Ireland, Italy, Netherlands, Poland, Spain, UK,	-	n/a		No
Ambea (formerly Carema)	Sweden, Finland, Norway	10,300	10,300		No but negotiations underway
Aramark	Germany, Ireland, Netherlands, Poland, Spain, UK	255,000	81,000 (non-US)	-	Yes (1996)
BUPA	UK, Spain	52,000	9,120	-	No
Capio	Denmark, France, Germany, Norway, Portugal, Spain, Sweden, UK	15,000	15,000	-	Yes (2006)
Cinven	UK , Spain	12,900	12,900 (including 2,000 doctors under contract)		No
Compass	Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Kosovo, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal,	386,018			Yes (1996)

	Romania, Slovakia, Spain, Sweden, Switzerland, Spain, UK, Ireland				
Diaverum (formerly Gambro Healthcare)	Estonia, France, Germany, Hungary, Italy, Lithuania, Poland, Portugal, Romania, Spain, Sweden, Turkey, UK	n/a	n/a		No
Euromedic International	Bosnia, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Ireland, Portugal, Poland, Romania, Russia, Turkey, UK	6,000	6,000		No
Fresenius	Austria, Belgium. France, Germany, Italy, Sweden, UK, Spain,	130,510	63,949 (49%)	N.America (34%) L.America & Africa 9% Asia-Pacific 8%	Yes (1996)
ISS	Austria, Belgium, Bosnia, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK	485,800	260,539 (54%)	225,261 (46%)	Yes (1995)
Labco	France, Italy, Germany, Spain, Portugal, Belgium	4,000	4,000	-	No
Medicover	Estonia, Czech Republic, Hungary, Poland, Romania	5,000	5,000		No
Rentokil	Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, The Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, UK	67,373			Yes (1996) Covers countries of EU, Norway and Switz-erland
Sodexho	Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Finland, Germany, Hungary, Luxembourg,	380,000	n/a	n/a	Sodexho Partena – Yes (1998) Sodexho Pass/ Sodexho Universal - No

	Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, UK.				

Source: Company Annual Reports; European Works Councils Agreements database www.ewcdb.eu (accessed April 2010)

4.1 Non-EWC eligible companies

Company Name	Major presence in Europe	Workers		
		Worldwide	**Europe**	**Other**
Adeslas	Spain	-	Spain	
Generale de Sante	France, Italy	-	France, Italy	
Jose de Mello Saude	Portugal Spain	-	Portugal Spain	Brazil

4.2 Significant acquisitions and sales of subsidiaries since 2004

Company	Buying	Selling	Comment
Alliance Medical Group	-	-	-
BUPA	2008 Cromwell Hospital from Ballyrogan Holdings Ltd (owned by Jennings family and Canadian Hospitals International Network Inc.)	March 2010 BUPA Australia Life Insurance and Wealth Management business (MBF Life and ClearView) to MMC Contrarian Limited (MMC)	After selling all BUPA hospitals in 2007, BUPA acquired the Cromwell Hospital, London to develop a'flagship' hospital for self-paying international patients and those covered by health insurance. The private hospital market in London is different from the rest of the country as it specialised in providing medical care for international patients. The sale of MBF is part of a re-structuring of the BUPA role in Australian insurance.
Capio	2007 Acquisition of UNILABS to form Capio Diagnostics	2007 Sale of UK hospitals to Ramsay Health Care Sale ofoperations in Finland and Swizerland	Consolidation of existing healthcare business. Separation of healthcare from diagnostic services.
Cinven	Classic Hospitals and the Thames Valley Hospital	No sales	Consolidation of UK activities – health services and mental health services
Diaverum (formerly Gambro Healthcare)	Acquired clinics in Turkey and Germany		European and global expansion
Fresenius	Fresenius Kabi bought APP Pharmaceuticals, Dabur Pharma (India), Nestlé's		Continued expansion into German hospital management Acquisition of Indian company Helios continued to buy German hospitals but no expansion outside

	enteral nutrition business in France and Spain Ribbon, a leading European manufacturer of antibiotic active agents Helios bought Mariahilf hospital in Hamburg-Harburg and two hospitals in the Northeim county of Lower Saxony		Germany.
Generale de Sante		Sold Italian subsidiaries by 2010	
Adeslas			Sold by Aguas de Barcelona to Caixa, largest insurer in Spain
Jose de Mello Saude			No international expansion

4.3 Global reach of companies

Parent company	**Sales (2009)**	**Healthcare division**	**Sales**	**%**
Aramark	$12,297million	n/a	-	-
Compass	£13,444m	Healthcare	£2554m	19%
Fresenius	€14,164m (2	Fresenius Medical Care Fresenius Kabi Helios Vamed	$11.2m €3.0m €2.4m €0.6m	
Diaverum	?	Healthcare		
Rentokil Initial	£2,530m	n/a		
ISS	DKK 68,829m	n/a		
Sodexho	€14,700m	Healthcare	€2,940m	20%

5 Companies with EWCS or EWC eligible

5.1 Company name: ALLIANCE MEDICAL GROUP

Owner: Dubai International Capital

Address:
Alliance Medical Limited
Iceni Centre
Warwick Technology Park
Warwick CV34 6DA

Tel: +44 (0)1926 482000
Fax: +44 (0)1926 482020
email: info@alliance.co.uk

http://www.alliancemedical.eu.com/

EWC: Eligible?

Total employees: n/a

European subsidiaries

Company	Country
Alliance Medical	UK/Ireland
Alliance Medical	Italy
Alliance Viamed (joint venture)	Spain
Alliance Medical	Poland
Alliance Medical	Germany
Alliance Medical	Netherlands
Alliance Medical Interim Solutions	UK – European business development

Alliance Medical Group provides PET, MRI, CT, and mammography services. It provides extensive, outsourced mobile services as well as fixed site services.

Alliance Medical was formed in 1989 by Robert Waley-Cohen, who had previously co-founded Alliance Imaging Inc. in the USA in 1983. The company started to operate in the UK in 1990. In 1996, a management buyout was backed by 3i plc and Foreign & Colonial. In 1998, Alliance Medical started sending mobile scanners to Italy and formed a joint venture with ETF in 1999, Italy's only supplier of mobile diagnostic services.

Bridgepoint bought out 3i and Foreign and Colonial in 2000. A new division, Interim Solutions, was set up to rent out equipment across Europe. In 2002, Alliance Medical acquired 100% of Alliance Diagnostic, an Italian company, and formed a joint venture company in Spain, There is no more recent history of the company provided on its website after 2003, however, it has continued to win contracts from the NHS. The company runs two Intermediate Treatment Centres in the UK with the Partnership Health Group in SW England and provides equipment for at least 19 hospitals with hospitals in the UK.

There has been some criticism of the quality of services delivered by Alliance Medical in the UK, including mistakes in the interpretation of images and delays in the delivery of results. Doctors in Belgium, South Africa and Spain interpret the data and do not collaborate with doctors in the NHS.[38] There have also been questions asked in Parliament about the contacts between Alliance Medical and the Department of Health in the period before one contract was awarded in 2004.

In January 2007, Alliance Medical, in partnership with Care UK, was awarded preferred bidder status to provide diagnostic services across the North East of England. The service will be delivered under a joint brand name of AMC Diagnostics Limited. The service will offer CT scans, MRI scans, DXA (bone densitometry), electrocardiograms, ultrasound/echo and X-ray, upper and lower gastrointestinal endoscopy, electroencephalography, electromyography/nerve conduction studies, flexible cystoscopy.[39]

Alliance Medical Group was sold by Bridgepoint Capital to Dubai International Capital in 2007. In 2008, Alliance Medical Group bought Lodestone Patient Care from Australian-based I-MED, a diagnostic imaging network owned by CVC Capital Partners. It has been merged with Alliance Medical's UK operations.[40]

5.2 Company name: AMBEA

Owner: In April 2010, Triton and Kohlberg Kravis Roberts & Co (KKR) acquired Ambea, the company which owned both Carema, a Swedish healthcare company, and Mehiläinen, a Finnish health care company.

Mäster Samuelsgatan 42
SE-111 57 Stockholm
Tel: +46 (0)8 617 39 00
www.ambea.com

Total number of employees: 10, 300

Company outline and strategy

The healthcare company Carema, founded in 1996, changed its name to Ambea in 2007. The company provides specialist care, primary care, elder care, psychiatry, care of people with disabilities and health staffing. The company specialised in integrated care. It is active in Norway, Sweden and Finland.

There are three business areas in the Healthcare Business Unit

- Primary care runs 20 healthcare centres in Sweden
- Specialist care runs specialist healthcare in local hospitals, elective surgery and rehabilitation under the name of Carema Specialist Healthcare.
- Recruitment which runs the Rent a Doctor, rent a nurse, and care team brands.

All business units work on behalf of local councils. Councils pay for 100% of primary care services. Councils account for 90% of the recruitment business unit's revenue with the rest coming from private companies. It has a very limited income from private health insurance and people who fund their own treatment.

The Nursing Business Unit provides support, services and care to people with physical and psychological problems (Care and Psychiatry) as well as care for older people. It is the biggest provider in Sweden and provides care to 4,500 people in 40 centres. The company operates under contract, under its own management and other customer systems. The business unit is paid for its services by municipalities. This represents 76% of its turnover. The Nursing Business Unit is active in Norway, Sweden and Finland.

3i, which has previously owned 75.01% and funds the and the Government of Singapore Investment Corporation (15.94%) and Carema management sold Ambea to Triton and KKR in April 2010. KKR is a US private equity fund which also owns part of the HCA company, which operates in the US, UK and Switzerland.

Ambea increased the numbers of employees by 2,000 in 2009. The workforce is broken down into the following groups:

- Physicians, 4%
- Nurses, 14%
- Certified nursing assistants, 26%
- Care personnel, 41%
- Paramedics, 2%
- Administrative personnel, 13%

Care personnel are the largest group. Although Ambea is a healthcare company, its main activities are care services.

5.3 Company name: ARAMARK

Owners:
After being re-listed in the stock market in 2001, an investor group, led by Joseph Neubauer (CEO) and investment funds managed by GS Capital Partners, CCMP Capital Advisors and J.P. Morgan Partners, Thomas H. Lee Partners and Warburg Pincus LLC, bought all Aramark shares. The company was de-listed 26 January 2007.

Address:
ARAMARK
1101 Market Street
Philadelphia
Pa 19107 USA
www.aramark.com

EWC: YES

Total employees: 255,000

Regional breakdown

Activities	Sales	Employees
United States	64%	150,000
International food and support services	19%	81,000
Uniform services	14%	14,800

Source: Aramark 10-K 2009

5.3.1 Major European subsidiaries

Company	Ownership	Country	Website
ARA Services Ltd Campbell Catering Ltd	100%	UK	www.aramark.com
Aramark Cleaning SA Aramark SA	100%	Belgium	www.aramark.com
Aramark Gmbh	100%	Germany	www.aramark.com
Aramark Ireland Holdings Ltd	100%	Ireland	www.aramark.com
Aramark SRO	100%	Czech Republic	www.aramark.com
Aramark Slovak Republic SRO	100%	Slovak Republic	www.aramark.com
Aramark Szolgaltato Es Kereskedelmi KFT	100%	Hungary	www.aramark.com

5.3.2 Company activities and strategy

Aramark is a global company providing food, support and uniform services. Since 2004, it has expanded into several countries in Central and Eastern Europe. In 2005, the Kent Institute of Medicine and Social care was considering getting the Salvation Army and Aramark to fund joint research staff and developing a laboratory based consultancy service.[41]

5.4 Company name: BUPA

Owner:
BUPA
BUPA House
Bloomsbury Way
London WC1A 2BA
www.bupa.com

EWC: NO but ELIGIBLE

Total employees: 52,000 (worldwide)

5.4.1 Major European subsidiaries

Company	Ownership	Country	contact	Website	Employees
Sanitas – Spain	100%	Spain	c/via Augusta 13-15, 28042 Madrid Tel: + 902 10 24 00	www.sanitas.es	5,285
BUPA UK Insurance	100%	UK	BUPA House Bloomsbury Way London WC1A 2BA	www.bupa.com	1,000+?
BUPA Care Services Ltd	100%	UK		www.bupa.com	

5.4.2 Company outline and strategy

BUPA is one of the two largest providers of private health insurance in the UK with 40.1% of the market. In the last 10 years BUPA has expanded through a series of acquisitions in the UK and worldwide. Its most striking area of expansion has been into care services. In 2007, it sold 25 hospitals to Cinven, for £1.44 billion, in order to pay off debt and to focus on long term development of the company, internationally and in the care sector. However, BUPA acquired the Brompton Hospital in 2009, which is based in London and serves the international market.

Since 2007, the company has expanded it health insurance and care activities globally. It bought Amity Group in Australia and Guardian Healthcare in New Zealand as well as Health Dialog in US in 2007/8. This was the first time that BUPA entered the US market. Health Dialog provides health care analytics and decision support services to 19 million people in the US and UK, Spain and France.

In June 2008, Bupa Australia merged with MBF but in March 2010 it sold this business, the Life Insurance and Wealth Management business (MBF Life and ClearView) to MMC Contrarian Limited (MMC) and has now entered a 'distribution alliance' with MMC. BUPA is still consolidating its presence in Australia and seems to be concentrating on both health insurance and care homes.

BUPA has also set up a joint insurance venture with Max India, which will be launched in 2010. The company also provides health insurance in Thailand and Hong Kong, It has sold primary care services which is used to run in Asia. It has a partnership with one of the largest health insurers in Saudi Arabia.

BUPA's major European subsidiary is Sanitas, a Spanish health insurer and healthcare provider, which was incorporated into BUPA in 1989. In September 2006, Sanitas, won a government tender to build and run a large new public hospital in Manises, Valencia. The 15 year PFI contract for the Valencia government involves building and managing the new hospital as well as updating and running primary care centres in the region, building a new health centre in Turis and renovating a specialist centre in Aldaya. Sanitas has formed a consortium with Ribera Salud, (Sanitas 60%: Ribera Salud 40%),[42] which is owned by Bancaja and

Caja Mediterraneo, two Spanish banks. The project is worth €137 million. The Horta Manises hospital has now opened. Sanitas has two other hospitals, both in Madrid.[43]

In 2007, the Sanitas group acquired Sanitas Residencial, BUPA Group's Spanish care home provider, bought the Euroresidencias' care home and day centre portfolio from the Spanish company Saarema Inversiones. This made Sanitas, the second largest provider of long term care in Spain.

BUPA employs 52,000 employees worldwide. Sanitas employs 5,295. There are no specific figures given for the number of employees in the UK but out of a total of £56.5 million revenue from BUPA care homes in the UK, £30 million was spent on staff costs. If a care worker is estimated to earn about £20,000 – 30,000 per year, including employer costs, this suggests that BUPA employs at least 1,000 full time workers in its care homes.

5.5 Company name: CAPIO

Owners: In September 2006, Capio was bought by Opica, a company "indirectly jointly owned by Apax Partners Worldwide LLP, by Nordic Capital Fund VI and by funds advised or managed by Apax Partners SA. The company was de-listed in November 2006. Opica AB is jointly owned by Apax Europe VI at 45 per cent, Nordic Capital Fund VI at 44 per cent and Apax France at 11 per cent.

Address:
Capio AB
Lilla Bommen 5
P.O. Box 1064
SE-405 22 Göteborg, Sweden
Tel: +46 31 732 40 00
Fax: +46 31 732 40 99
www.capio.com

EWC: YES

Total employees: 15,000

Company divisional breakdown

Company name	Number of employees
Sweden **Capio Proximity Care** **Capio Hospitals** **Capio Specialist Clinics**	2,600
Capio Norway	350
Capio Nightingale Hospital (UK)	??
Capio Healthcare Germany	3,300
Capio Healthcare Spain	4,500
Capio Healthcare France	5,000 (and 1,250 doctors)
Total	15,000

5.5.1 Major European subsidiaries

Company	Ownership	Country	Website
Capio Proximity Care	**100%**	**Sweden**	**www.capio.se**

Capio Hospitals **Capio Specialist Clinics**			
Capio Norway	**100%**	**Norway**	
Capio Nightingale Hospital (UK)	**100%**	**UK**	**www.capio.co.uk**
Capio Healthcare France	**100%**	**France**	**www.capio.fr**
Capio Healthcare Spain	**100%**	**Spain**	**www.capio.es**
Capio Healthcare Germany	**100%**	**Germany**	**www.capio.de**

5.5.2 Company activities and strategy

Capio is a Swedish healthcare company, which has become a trans-European healthcare company. Since 2003, Capio has continued its expansion into France, Spain and Germany, as well as consolidating its provision of services to the public sector in Sweden, Norway, and Spain. Capio completed negotiations for its first European Works Council in July 2006.

Since 2006, Capio has been owned by Opica, a company "*indirectly jointly owned by Apax Partners Worldwide LLP, by Nordic Capital Fund VI and by funds advised or managed by Apax Partners SA*". The company was delisted in November 2006. In June 2007, Opica was given permission by the European Commission to sell Capio UK.[44] This follows an earlier announcement that Capio UK was to become independent.[45] Opica bought Capio on condition that it sold the UK hospitals, "*to avoid regulatory problems*".[46] These were sold to Ramsay Healthcare (an Australian healthcare company) in 2008. Between 2007 and 2010, Capio sold its services in Finland, Denmark and Switzerland, evidence of some consolidation.

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Since 2004, Capio has achieved its goals of moving into Spain and Germany as well as consolidating its presence in France and the UK. It has also negotiated longer contracts – St. Gorens, Sweden and Valdemoro, (30 years) Spain. The contract for Valdemoro, Madrid, is a contract on a capitation basis, which provides an annual fixed payment per head of population. The contract involves building a hospital, which is expected to open at the end of 2007 [47].

After merging Capio Diagnostics with Capio UK in 2007, Capio Diagnostics merged with UNILABS, a Swiss based company in 2008. UNILABS is now separate from Capio and works in Denmark, Sweden, Finland, Italy, Norway, Portugal, Russia, Spain, Sweden, Switzerland and the UK. It employs 3,600 workers, which are not covered by an EWC. The Board of Management has directors from both Apax Partners and Nordic Capital, which own Capio [48].

5.6 Company Name: CINVEN

CINVEN is a European private equity company, which has acquired several healthcare investments, since 2004.

Address:
Cinven Limited
Warwick Court
Paternoster Square
London EC4M 7AG
Tel: +44 (0)20 7661 3333
Fax: +44 (0)20 7661 3888
www.cinven.com

EWC: NO but elegible?

Total employees: 12,900 (including physicians under contract)

Regional breakdown

Country	Subsidiary	Workers
UK	Spire hospitals (ex-BUPA) Partnerships in Care	7,600 3,300
Spain	USP Hospitales (60%)	2,000 physicians under contract
		12,900

Major European healthcare subsidiaries

Country	Subsidiaries
UK	Spire hospitals (100%)
UK	Partnerships in Care (100%)
Spain	USP Hospitales (60%)

Cinven, as a European private equity investor, has over a decade of experience of investing in healthcare companies. In 2005, it bought Partnerships in Care from the General Health Group. Partnerships in Care provide mental health services, specialist units for people with learning disabilities, brain injury rehabilitation units, community placements for supported living and an employee assistance programme. Cinven had also invested in the General Healthcare Group, which it sold in 2000.

In 2007, it has made two significant healthcare investments. It bought 25 hospitals from BUPA , which has since been rebranded as Spire Healthcare. In 2008, the group acquired Classic Hospitals and the Thames Valley Hospital.

Cinven also bought 60% of a Spanish private hospital group, USP Hospitales Group, from Mercapital, a Spanish private equity group in 2007. USP Hospitales Group is the leading independent operator in the Spanish private healthcare market and second largest provider to the private healthcare insurance market. USP acquired a 25% stake in HPP, the fourth largest hospital group in Portugal. Caixa Geral owned the remaining 75% of HPP.[49]

There have not been any additional acquisitions outside the UK in healthcare over the last two years.

5.7 Company Name: COMPASS

Owner
Compass Group PLC
Compass House
Guildford Street
Chertsey, Surrey KT1 9BQ
Tel +44 1932 573 000
Fax +44 1932 569 956
www.compass-group.com

EWC: YES

Total employees: 386,168

Regional breakdown

Region	Sales	%
North America	£5,871m	44%
Continental Europe	£3,429m	25%
UK	£1,829 m	14%
Rest of world	£2,315m	17%
Total	£13,444m	

5.7.1 Major European subsidiaries

Company	Ownership	Country
Compass Contract Services (UK) Ltd **Compass International Purchasing Ltd** **Letheby & Christopher Ltd** **Scolarest Ltd** **Compass Purchasing Ltd** **Compass Services Ltd**	100% 100% 100% 100% 100% 100%	UK
Compass Group France SA	100%	France
Eurest Deutschland GmbH **Medirest Deutschland GmbH** **Eurest Services Gmbh** **Eurest Sports & Food GmbH**	100% 100% 100% 100%	Germany
Eurest Colectividades SA	100%	Spain
Compass Group Nederland BV **Eurest Services BV**	100% 100%	Netherlands
Compass Group (Schweiz) AG	100%	Switzerland
Compass Group Italia SpA	100%	Italy
Eurest Collectividades SL	100%	Spain

5.7.2 Company activities and strategy

Compass is the world's largest contract catering company. It has begun to diversity into facilities management. In 2004/5, it reported a 50% drop in profits, which was partly the result of poor publicity in the UK for school meals, provided by Scolarest, following a series of television programmes by Jamie Oliver, who criticised the unhealthy content of school meals. There was a drop of 30% in profits in the UK but in the United States, operating profits rose by 12%. [50]

Since 2007, Compass has broadened its market share in North America and Continental Europe so that the UK and Ireland no longer contribute the largest revenue share. Over 44% of revenue now comes from North America. Healthcare activities account for 19% of revenue with a global spread.

Compass is facing a deficit in its pension scheme, which in 2009 was £335 million.

5.8 Company Name: Diaverum (formerly GAMBRO Healthcare)

Owner
In 2007, Gambro Healthcare was bought by Bridgepoint, a private equity company. In 2008, it changed its name to Diaverum.

Corporate office:	Head office:
Barer Straße 7 D - 80333 München Deutschland Phone: +49 89 452 444 200 Fax: +49 89 452 444 300 E-mail: info@diaverum.com	Diaverum Box 4167 SE-227 22 Lund Sweden Phone: +46 46 287 30 00 E-mail: info@diaverum.com

EWC: NO

Total employees: n/a

5.8.1 Company activities and strategy

In 2005, Gambro, one of three global renal healthcare companies sold its US clinics to DaVita and established a strategic alliance with DaVita and Baxter, another global renal healthcare company. In 2006, Gambro bought 11 clinics in Lithuania, as part of its expansion into central and eastern Europe.

In June 2006, Indap AB, indirectly jointly-owned by EQT and Investor AB, bought Gambro. In November 2006, the new owners decided to develop Gambro into three free-standing companies: Gambro (former Gambro Renal Products), Gambro BCT and Gambro Healthcare.[51] In 2007, Gambro Healthcare was sold to Bridgepoint, a private equity group. Gambro Healthcare had 155 clinics in 15 countries. [52] In Europe, it managed clinics in Estonia, France, Hungary, Italy, Lithuania, Poland, Portugal, Spain, Sweden, and the UK.[53]

In 2008, Gambro Healthcare changed its name to Diaverum. It provides renal care services in clinics and hospitals in Estonia, France, Germany, Hungary, Italy, Lithuania, Poland, Portugal, Romania, Spain, Sweden, Turkey, and the UK. There is no indication of how many workers the company employs. Looking at the different national websites for this company, it suggests that there are a range of different employment arrangements for health care staff delivering services. For example, in some countries, Diaverum delivers renal services through a contract with the public healthcare sector and in other countries, Diaverum owns its own clinics and delivers services to either the public or private sector.

5.9 Company name: EUROMEDIC INTERNATIONAL

Owner: EUROMEDIC INTERNATIONAL N.V.
Central European Headquarters
Gerbeaud House
1, Dorottya St.
1051 Budapest
Hungary
TEL.: +36 1 267 5314
FAX: +36 1 267 5312
E-mail: joseph.priel@euromedic-group.com
www.euromedic-group.com

EWC: NO but elegible

Total employees: 6,000

5.9.1 Major European subsidiaries

Company	Owner-ship	Country	Contact	Website
Euromedic Diagnostics BV	100%	Hungary	EUROMEDIC INTERNATIONAL N.V. - Central European Headquarters Gerbeaud House, 1. Dorottya St., 1051 Budapest, Hungary TEL.: +36 1 267 5314 FAX: +36 1 267 5312 E-mail:	www.euromedic-group.com
International Dialysis Centre BV	100%			
Euromedic International NV		Netherlands	Holding company registered in The Netherlands	
Euromedic Bosnia	100%	Bosnia a	EUROMEDIC Bosnia Address: Bana Milosavljevica 8, Street, 78000 Banja Luka, Republic of Srpska Bosnia Contact person:,Mr. Marijan Bilic IDC General Director email: mbilic@inecco.net Mobile Phone:00-387-65-513-104 or 00-387-65-633-778 Telephone: 00-387-51-22-33-40 Fax: 00-387-51-22-33-50	www.euromedic-group.com
Euromedic Bulgaria		Bulgaria	Contact person: Dr.Cvetan Angelov, President Euromedic Bulgaria Euromedic Bulgaria Ltd. 1404 Sofia, 81 B Bulgaria Blvd. fl. 2. Tel: +359 2 808 2992 Tel: +359 888 387 586 E-mail: cvetan.angelov@euromedic.bg	
Euromedic Croatia		Croatia	Hektorovicava 2/II, 10 000 Zagrebm Croatia Contact: Dr. Ivan Svajger, President Euromedic Croatia Tel: + 385 1 63 90 650 Fax: + 385 1 63 90 660 E-mail: ivan.svaiger@euromedic.hr	
Euromedic Czech Republic	100%	Czech	EUROMEDIC Czech Republic sro Na Polkopi 110 00 Praha 1, Czechrepublic Contact person: Mr. David Karasek, Managing Director Tel: + 42 25753948 Fax: +42 257539962 E-mail: karasek@europmedic.biz	
Euromedic Greece	100%		EUROMEDIC Greece 50 Agiou Konstantinou street 15124 Marousi, Athens, Greece Contact person: Mr. Dimitris Moulavasilis, President Euromedic Greece Tel: +30 210 614 8780 Fax: +30 210 614 8782 E-mail:	

			dimitris.moulavasilis@euromedic.gr	
Euromedic Hungary	100%	Hungary	EUROMEDIC DIAGNOSTICS Kft Gerbeaud House, 1. Dorottya St., 1051 Budapest, Hungary Contact person: Dr. Lilla Kardos, President Euromedic Diagnostics Tel: +361 317 8610 Fax: +361 318 8687 E-mail: kardos.lilla@euromedic-group.com	www.euromedic-group.com
Euromedic Ireland	100%		Contact Person: Mr. Paddy Creedon, President Euromedic Ireland 2nd Floor Hibernian House Haddington Road Ballsbridge Dublin 4 Tel 00 353 1 6678888 Fax 00 353 1 6670034 E-mail: paddy.creedon@euromedic.ie	
Euromedic International Srl Italy	100%		Via Privata Maria Teresa 4, 20123 Milano, Italy Contact: Mr. Guiseppe Giannasio, President Euromedic International Srl Tel: 39 02 883936.1 E-mail: info@euremedic.it	
Euromedic Portugal	100%	Portugal	Av. D.Joao II, n.1.17.01 Edificio Toorreo Sen, 8 B Parque das Naccoes, 1998-023 Lisboa. Portugal Contact: Mr. Antonio Marquez, Presidente Euromedic Portugal Tel: +351 91 936 93 38 E-mail: antonio.marquez@euremedic.pt	
Euromedic Poland	100%	Poland	Rondo ONZ 1, 00-124 Warszawa Contact person: Dr. Piotr Janicki, President Euromedic Poland Tel. +48 22 526 1100 Fax +48 22 526 1199 E-mail: euromedic@euromedic.pl	www.euromedic-group.pl
Euromedic Romania	100%	Romania	41 Aviatorilor Blvd, 2nd Floor, Sector 1, Bucharest - Romania Contact person: Dr. Anca Petca, President Euromedic Romania Tel: +40 21 2224111, +40 372 735318 Fax: +40 21 2223747 E-mail: office@euromedic.ro	www.euromedic-group.com
Euromedic Russia	100%	Russia	40 Building 4, Bolshaia Ordynka Street, Moscow, Russia, 119017 Contact: Dr. Victor Molostov, Head of Representative Office E-mail: victor.molostov@euremedic.ru	

Euromedic Switzerland	100%	Switzerland	Löwenstrasse 29 CH-8001 Zürich SWITZERLAND Contact Person : Mr. Bernhard Schuetz phone: +41 (0) 43 888 70 01 fax: +41 (0) 43 888 70 07 mobile: +41 (0) 79 789 6547 E-mail: bernhard.schuetz@euromedic.ch internet: www.euromedic.com	
Euromedic Turkey	100%	Turkey	IDC ULUSLARARASI DIYALIZ MERKEZLERI STI CUMHURIYET CAD NO.26 Pegasus EV1 HARBIY, Istanbul Contct: Emir Ozler, President IDC Turkey Tel: + 90 212 241 5800 Fax: +90 212 241 5820 E-mail: emir@idcturkey.net	
Euromedic United Kingdom Limited	100%	United Kingdom	Euromedic United Kingdom Limited, 15th Floor, 33 Cavendish Square London W1G 0PW Tel: +44 (0)207 647 4888 Fax: +44 (0)207 647 4880 Mr. Paul Hobson, President Euromedic United Kingdom Tel: +44 (0)207 647 4881 E-mail: keith.evans@euromedic.co.uk	

5.9.2 Company activities and strategy

Euromedic Diagnostics BV and International Dialysis Centre BV are both 100% owned Dutch subsidiaries of Euromedic International NV, a holding company of the group. [54]

For more than a decade, Euromedic has been building and operating imaging diagnostic centres and dialysis centres in Eastern and Central Europe. They work in public-private partnership arrangements, where Euromedic invests in the centres and the public healthcare system pays for the service.

The history of Euromedic International provides an insight into the way in which healthcare companies are beginning to operate within a European market. In 1991, two Hungarian entrepreneurs set up a company called International medical Centres in Budapest, which was owned by an Israeli company, Elbit. In 1995, the Euromedic group of companies was set up with the Red Sea Group, also an Israeli company. In 1998, these International Medical Centres merged with the Euromedic group. In 1999, GE Capital and Dresdner Kleinwert Benson back the founders of Euromedic in a buyout from Elbit. Euromedic International is formed.

The following year, 2000, further capital was raised, underwritten by the Washington DC based company Global Environment Fund. Euromedic International expanded into Poland, Bosnia – Herzogovina and Romania, opening up dialysis clinics. In November 2002, GE Capital and Dresdner Kleinwert Benson bought the Red Sea Group. In 2005, Warburg Pincus and GE Healthcare and management bought out the three financial investors. With support from the Dutch ING bank, they finance the company's growth plan, moving from Central and Eastern Europe to become a European- wide healthcare provider. In 2006, Euromedic International expanded its activities and moved into Russia, Czech Republic, Greece and Turkey.[55]

In 2008,Merrill Lynch Global Private Equity (MLGPE), Ares Life Sciences, Montagu Private Equity and Management jointly acquired Euromedic International from Warburg Pincus and GE Capital Equity Investments. The company has expanded into Western Europe, including Italy, Portugal, Ireland and the

United Kingdom. It is expanding from services such as CT and renal dialysis to diagnostic and cancer services, all of which involve high technology equipment.

The nature of the relationships which Euromedic International has developed with national public healthcare sectors varies. Company expansion over the last decade has been based on pursing a model of public-private partnerships but Euromedic International seems to be pursuing three different models.
1) Acquiring services/ facilities already run by the private sector, e.g. Portugal, Switzerland, Turkey
2) Acquiring public sector facilities, e.g. Hungary, Poland.
3) Contracting services to run in the public sector, e.g. UK.
These different arrangements made it difficult to identify the nature of the relationship between Euromedic International and the health professionals who run the services and equipment. In some cases they will be self-employed or employed by the public sector. A recent press release quotes the company as employing 6,000 health professionals in Europe.

5.10 Company Name: FRESENIUS

Owner: Fresenius
Head Office
Fresenius AG
Else-Kröner-Straße 1
61352 Bad Homburg v.d.H.
Germany
Postal Address:
Fresenius AG
D-61346 Bad Homburg v.d.H.
Tel: +49 6172 608 2637
www.fresenius.de

EWC: YES

Total employees: 130,510 (2009)

Regional breakdown

Region	Number of employees	% employees
Europe	63,949	49%
North America	44,373	34%
Latin America and other regions	11,745	9%
Asia-Pacific	10,440	8%
Total	130,510	

Employees by sector

Sector	Dec 31 2009	Dec 31 2008	% change
Fresenius Medical Care	71,617	68,050	5
Fresenius Kabi	21,872	20,457	7
Helios	33,364	30,088	11
Fresenius Vamed	2.849	2,802	2
Corporate/other	808	820	-1
Total	130,510	122,217	7

5.10.1 Major European subsidiaries

Company	Owner-Ship	Country	Contact	Website

Fresenius Medical Care AG & CO KGaA Hof an der Saale **Fresenius Kabi Deutschland GmbH Bad Homburg v.d.H.** **Fresenius Hemocare Deutschland GmbH Bad Homburg v.d.H.** **HELIOS Group, Berlin**	36.77% 100% 100% 98%	Germany	Fresenius Kabi Deutschland GmbH Else-Kröner-Strasse 1 61352 Bad Homburg Tel: +49 (0)6172 686 0 Fax +49 (0)6172 686 2628 E-mail: communication@fresenius.kabi.com	www.fresenius-kabi.de
Fresenius Kabi, Italy S.p.A, Verona **Ribbon Srl, Cernusco**	100% 100%	Italy	Fresenius Kabi Italia S.P.A. Via Camagre, 41 37063 Isola della Scala – Verona Tel:+39 045 6649 311 Fax: 39 045 6649 404	www.fresenius-kabi.de
VAMED Group, Vienna, Austria **Fresenius Kabi Group GmbH Graz**	77% 100%	Austria	Sterngasse 5, A-1230 Vienna Tel:43/1/60 127/0 Fax: 43/1/60 127/ 190 E-mail: office@vamed.co.at	www.vamed.com
Fresenius Hemocare Netherlands BV, Emmen, **Fresenius Kabi Nederland B.V. 's-Hertogenbosch**	100% 100%	Netherlands	Fresenius Hemocare B.V. Runde ZZ 41 7881 HM Emmer-Compascuum Tel : +31 591 355 700 Fax +31 591 355 555 E-mail@ customer_services@npbi.nl	www.npbi.nl
Fresenius Kabi AB, Stockholm, Sweden	100%	Sweden	Fresenius Kabi AB Rapsgatan 7, SE-751 74 Uppsala Tel:+46 18 64 4000 Fax: +46 18 64 490 E-mail: infor-sweden@fresenius.kabi.com	www.fresenius-kabi.com

5.10.2 Company activities and strategy

Fresenius is a "*global health care company with products and services for dialysis, the hospital and the medical care of patients at home*".[56] As a vertically integrated renal care company, Fresenius produces products and equipment for renal dialysis and runs dialysis clinics. Increasingly the company is becoming more involved in the production of infusion therapies for patients at home as well as for a wider range of conditions than renal care, e.g. cancer care.

Since 2004, Fresenius has continued to expand its healthcare management business. In 2005, Fresenius (ProServe, the healthcare management division) bought the HELIOS group, a German private hospital group, which has 55 hospitals and 26,000 employees. The Wittgensteiner Klinken Group, which Fresenius bought in 2001, has been integrated into the HELIOS group. In 2006, Fresenius bought the HUMAINE clinic group, with 6 hospitals and 2,900 employees.

Fresenius, through VAMED, its international hospital projects division, has become involved in public-private partnerships in Austria and Bosnia Herzogovina in Europe. In Austria, the projects involve clinics and a radiology centre. In Bosnia, VAMED is modernising the University Hospital at Tuzla and building a new medical centre at Banja Luka. VAMED is also contracted to deliver technical management for the Vienna

General Hospital and manages the non-medical services contact for the Charite University Hospital, Berlin. It is also contracted to deliver technical management at Eppendorf University Hospital, Hamburg.

Fresenius Medical Care, the dialysis clinics division, bought the Renal Care Group, a company providing kidney dialysis, in the United States in 2006, thus expanding its presence in North America. [57]

In 2008, Fresenius Vamed acquired four clinics in the Czech Republic from Fresenius Helios. Helios acquired Mariahilf hospital in Hamburg-Harburg, which was integrated into Mansfeld-Südharz county of Saxony-Anhalt and two hospitals in the Northeim county of Lower Saxony. The Helios consolidation is taking place in Germany and not expanding to other countries in Europe. VAMED is continuing to work on public-private partnerships worldwide.

Helios concluded the first trade union wage tariff agreement with ver-di in 2006, followed by an agreement with the Marburger Bund in 2007. In 2008 Helios concluded a followon agreement with Marburger Bund. The group wage tariff with ver-di was expanded to cover non-medical staff, especially the former Humaine acute care clinics in Bad Saarow, Dresden, and Plauen. Eventually all Helios clinic staff will be integrated into the group wage tariff agreement [58] .

In 2008-9 Fresenius Kabi bought APP Pharmaceuticals and Dabur Pharma as well as Nestlé's enteral nutrition business in France and Spain. It also bought Ribbon, a leading European manufacturer of antibiotic active agents.

5.11 Company Name: ISS

Owner: PurusCo A/S, a consortium of EQT (a Swedish private equity company) and Goldmann Sachs Capital Partners

ISS A/S
Bredgade 30
DK-1260 Copenhagen K
Denmark
Tel: +45 38 17 00 00
Fax: +45 38 17 00 11
www.issworld.com

EWC: YES

Total employees: 485,800 (2009)

Number of employees by country in Europe

Country	Number of employees (2009)	Number of employees (2007)
United Kingdom	41,881	39,170
France	39,329	41,109
The Netherlands	18,511	21,534
Central Europe	19,613	19,392
Germany	11,220	12,956
Switzerland	10,522	8,821
Austria	6,698	8,530
Denmark (incl Iceland and Greenland) 9,194 and 252 and 670 Iceland	10,116	13,844
Sweden	9,491	11,117
Belgium and Luxembourg	10,823	10,404
Norway	13,773	17,907
Spain	28,775	24,470
Finland	11,434	12,061
Israel	11,518	8,130
Portugal	7,260	4,625
Ireland	3,067	2,948

Italy	1,258	567
Greece	5,250	
Europe	260,539	

Revenue by region

Regions	**% revenue**	
Nordic	24	Europe 82%
Western Europe	56	
Eastern Europe	2	
Asia	6	
Latin America	3	
North America	4	
Pacific	5	

5.11.1 Major European ISS offices

Company	**Owner-ship**	**Country**	**Contact**	**Website**
ISS Denmark A/S	100%	Denmark	ISS Denmark A/S, Montmestervej 31, DK-2400 Kobenhaven NV Tel:+45 38 17 1717 Country Manager Maarten van Engeland	www.dk.issworld.com
ISS Facility Services GmbH	100%	Austria	ISS Facility Services GmbH Brunner Strasse 85, A01210 Vienna Tel: +43 (0) 57400 Country Manager: Thomas Hinnerskov	www.at.issworld.com
ISS Catering NV **ISS Hygiene Services NV**	100% 100%	Belgium	ISS NV Srteenstraat 20/1, B-1800 Vilvorde/Koningslo Tel: +32 2 263 6611 Country Manager: Kris Cloots	www.be.issworld.com
ISS Kadroske usluge doo **ISS Usluzne djelatnosti doo**	100% 100%	Croatia	ISS Usluzne Djelatnosti doo, Radnicka cesta 80 CR-10000 Zagreb Tel: +385 1 61 55 868 Country Manager: Igor Rajkovic	www.hr.issworld.com
ISS Facility Services sro	100%	Czech Republic	ISS Facility Services sro, East Building Antala Staska 510/38 140 00 Prague 4 Krc Tel: +42- 2 34 034 376 Country manager: Jan Bohacek	www.cz.issworld.com
ISS Eesti Ou	51%	Estonia	ISS Haldus Ou, Vilde tee 129, 12613 Tallinn Tel: +372 613 9107 Country manager: Priit Paiste	www.iss.ee
ISS Hygiene Services SASU **ISS Multiservices SAS**	100% 100%	France	ISS Holding Paris SAS 66-67. rue Ordener F-75018 Paris, France Tel:+33 1 44 9248 48 Country Manager : Yann Coleou www.fr.issworld.com	www.fr.issworld.com
ISS Facility Services GmbH	100%	Germany	ISS Facility Services GmbH, Wannheimer Stasse 92 40468 Dusseldorf Tel:+49 211 30278-0 Country Manager: Christoph Heymann	www.de.issworld.com

			www.de.issworld.com	
ISS Facility Services SA	100%	Greece	ISS Facility Services SA, 479 Megogeion Avenue, GR -153 43 Agia Paraskevi, Athens. Tel: +30 210 27 05 600 Country manager: Stefanos Valtaras	www.gr.issworld.com
ISS Servisystem Kft	100%	Hungary	ISS Servisysten Kft, Peterdy u 15 H-1071 Budapest Tel: +36 1 413-3140 Country manager: Gyorgi Gyorti	www.hu.issworld.com
ISS Ireland Ltd	100%	Ireland	ISS Ireland Ltd 11-13 Malpas Street, Dublin 8 Tel:+353 01 707 8000 Country Manager: Paul Lynch	www.ie.issworld.com
ISS Facility Services Srl	100%	Italy	ISS Facility Services Srl, Via E Bugatti 12, 21042 Milano Tel: +39 02 82681299 Country manager: Antonio Ive	www.it.issworld.com
ISS Palvelut Oy	100%	Finland	ISS Pavelut Oy, PO Box 100 Rajatorpantie 8A – Ventaa FI -01055 IAA Tel:+358 205 155 Country Manager: Kari Virta	www.fi.issworld.com
ISS Netherlands BV	100%	Nether-Lands	ISS Netherlands BV, Van Deventerlaan 30-40, NL-3528 AE Utrecht Tel:+31 30 242 43 44 Country Manager: Peter van der Vorm	www.nl.issworld.com
ISS Facility Services AS	100%	Norway	ISSFacility Services AS, Sjolyst Plass 2, Postboks 132 Okern N-0509 Oslo Tel:+ 47 815 55 155 Country Manager: Bjorn Nilsen	www.no.issworld.com
ISS Facility Services zoo	100%	Poland	ISS Facility Services SP zoo, Ul.M Flisa 2, PL-02-247 Warsawa Tel: +48 22 879 93 91 Country Manager: Kryzysztof Poznanski	www.pl.issworld.com
ISS Portugal II	100%	Portugal	ISS Facility Services Ltda, Rua Moinho, da Barrunchada 4 1st dt, P-2790-109 Carnaxide Tel: +351 21 424 67 60 Country manager: Jose Martins	www.pt.issworld.com
3D Romania SA	100%	Romania	3D Romania SA Ferdinand 1 nr. 13, 021381 Sector 2, Bucharest Tel: +40 21 252 47 85 Country Manager: Dan Jacota	www.ro.issworld.com
Facility Services RUS LLC	100%	Russia	Facility Services Rus LLC Bld.9, 9 Malaya Semenovskaya str. 107023 Moscow Tel: +7 495 933 44 73 Country manager: Elena Lipskaya	www.ru.issworld.com
ISS Facility Services spol sro	100%	Slovakia	ISS Facility Services spol sro, Mokran Zahon 2, 821 04 Bratislava Tel: +421 2 32 630 111 Country manager: Honor Ilavsky	www.sk.issworld.com
ISS Facility Services	100%	Slovenia	ISS Facility Services, Trzaska cesta 95 2000 Maribor Tel: +386 2 450 33 00 Country manager: Rudi Zupan	www.si.issworld.com
ISS Facility Services AB	100%	Sweden	ISS Facility Services AB Arstaangsvegen 25, Box 47635, S-117 94 Stockholm Tel:46 8 681 60 00 Country Manager: Marcus Kristiansson	www.se.issworld.com
ISS Schweiz AG	100%	Swizer-land	ISS Schweiz AG, Buckhauserstrasse 22, Postfach, CH-8010 Zurich Tel: +41 58 787 8000 Country manager: Andre Nauer	www.ch.issworld.com

ISS Facility Services Ltd **ISS Mediclean Ltd**	100% 100%	UK	ISS UK Ltd. ISS House Genesis Business Park Albert Drive Woking, Surrey GU21 5RW Tel:+44 1483 754 900 Country Manager: Henrik Andersen	www.uk.issworld.com
ISS Facility Services SA	100%	Spain	ISS Facility Services SA, C/ Francesc Vinas 7, 08174 Sant Cugat del Valles Barcelona Tel:+34 93 590 3060 Country manager: Joaquim Borras Ferre	www.es.issworld.com

5.11.2 Company activities and strategy

International Service Systems ISS, a Danish company, runs a global facilities management business. It has developed an increasingly integrated set of services, with a growing consolidation of suppliers, in the five years. ISS is one of the 10 largest employers in Europe. Cleaning services represent % of sales in 2009. Some are delivered in the hospital sector. ISS has also been involved in several Public Finance Initiatives in the UK.

In April 2005, PurusCo A/S, a consortium of EQT (a Swedish private equity company) and Goldmann Sachs Capital Partners bought ISS. The company was then de-listed from the Copenhagen Stock Exchange, in June 2005. It is now a private company. [59]

ISS sold its health care operations in 2005. The company also sold its 49% interest in CarePartner, a care services company, to a joint venture to Aleris Holding AB, which was owned by ISS, EQT III Ltd and Aleris's management. ISS then sold its interest in this joint venture to EQT III.[60]

In 2007, ISS entered the US market with the acquisition of Sanitors, Inc. In 2009, the company employed over 400,000 workers. ISS has been given a credit rating of BB2 by Standard and Poor and BB- by Moody's, both of which indicate a high level of indebtedness.

5.12 Company Name: LABCO

Owners: 3i consortium and healthcare professionals

Labco
27 avenue de l'Opéra
75001 Paris

13-15, rue de Calais
75009 Paris
0033 156 026 740
www.labco.eu

EWC: NO

Total employees: 4,000

Labco is a leading European medical diagnostics group which operates with a network of local and regional clinical laboratories. Set up in France in 2003, the company buys small and medium sized laboratories and the owners become shareholders of Labco. The network has more than 250 laboratories in France, Germany, Italy, Spain, Portugal and Belgium.

Labco SAS is a French legal entity and acts as the holding company for its French operational subsidiaries. In addition it owns 100% of its subsidiaries that act as holding structures for its operational units in the countries outside of France. These national subsidiaries are responsible for local operational strategy and implementation. The legal structure of Labco's operation units depends on local regulations[61]

The European private medical diagnostics market is expanding and is valued at €10 billion. The capital of Labco is spread between healthcare professionals, including lab managers, corporate managers and institutional investors. In 2008, a consortium, led by 3i, invested €140m as a minority stake in Labco. The consoritium includes TCR Capital, Natixis Investment Partners and CIC Finance, who have committed an additional €60m[62]. Institutional investors currently make up 38% of the company capital[63].

In July 2010, as part of Labco's entry into the UK, Labco and Sodexo launched a joint venture, Integrated Pathology Partnerships (iPP), which will sell pathology services in the UK. This will lead to outsourcing of NHS hospital pathology services. iPP will offer three types of contractual arrangement:
a) management contract where iPP manages the pathology services according to agreed performance targets;
b) partnership where pathology resources and staff are outsourced to iPP;
c) joint venture – where special purpose vehicles are created between iPP and healthcare organisations[64].

Labco Belgium	Avenue Louise 326 - b27 1050 Bruxelles Tel : +32 (0)2 343 55 57
Labco Germany	Aachener Straße 563-565 50933 Köln Tel +49 (0) 221 2905 9730
Labco Italy	Via Gonzaga 7 20100 Milano

5.13 Company name: MEDICOVER

Owner: Celox SA

Address:
Medicover Holding SA
20 rue Phillippe II,
L-234- Luxembourg
Tel: +352 26203110
Fax: +352 2620 3234

Medicover c/o Beiro Medical SA,
Waterloo Office Park
Building O, Dreve Richelle 161
B-1410 Waterloo, Belgium
Tel: +32 3 357 55 77
Fax: : +32 3 357 55 05
E-mail: info@medicover.com

EWC: NO but eligible?

Total employees: 5,000 (3,000 medical staff) in 8 countries

Regional breakdown (2009)

Company name	Number of employees (2009)	Revenues (€m)
Medicover Poland	2,700 employees (2,500 medical staff)	33.4
Medicover Romania	400 (200 medical professionals)	6.5
Medicover Hungary	170 (135 medical professionals)	3.1

Medicover Estonia	?	1.8
Medicover Czech Republic	180 (120 medical professionals)	2.1
Medicover Laboratories	?	14.0
Medicover Slovakia	15	
Medicover Ukraine		
E Germany IMD Laboratories)		
Total	5,000 (2009)	60.0

5.13.1 Major European subsidiaries

Company	Owner-ship	Country	Contact	Website	Employees (2009)
Medicover sro	100%	Czech Republic	Medicover s.r.o. Lomnického 1705/5 140 00 Praha 4 E-mail: info@medicover.cz	www.medicover.cz	
Medicover Aesti AS	100%	Estonia	Medicover Estonia Pärnu mnt, 102c 11312 Tallinn Estonia Phone: +372 605 1550 fax: +372 605 1515 E-mail: info@medicover.ee	www.medicover.es	68
Medicover Klinika Rt.	100%	Hungary	Medicover Hungary H-1132 Budapest, Váci út 22-24., Ground floor. Phone: +36 1 465 3150 Fax: +36 1 465 3160 E-mail: info@medicover.hu	www.medicover.hu	96
Medicover Romania	100%	Romania	Medicover Romania Sediul Central si Departamentul Comercial, Str. Monetariei nr. 8, sector 1, Bucuresti tel: 021 310 16 99, 0742 231 018, 0744 677 689 office@medicover.ro marketing@medicover.ro	www.medicover.ro	
Medicover Rombel SRL	100%	Romania	Synevo (Medicover Rombel srl) Str. Ion Campineanu 11, Etaj 4, Sector 1, Bucuresti Tel.: (00 4021) 315 19 10/11 Fax: (00 4021) 315 19 93 E-mail: office@synevo.ro, laborator@synevo.ro	www.synevo.ru	330
Medicover Sp.zo.o.	100%	Poland	Medicover Poland ul. Bitwy Warszawskiej 1920 r 18 02-366 Warsaw Poland Phone: +48 22 592 7000 Fax: +48 22 592 7099 E-mail: info@medicover.pl	www.medicover.pl	678
Synevo Polska SP Zoo	100%	Poland	Synevo Medical (Poland) Sp.z o.o ul. Dzika 4 , 00-194 Warszawa Tel.: + 48 22 636 37 82 Fax : +48 22 636 37 88 E-mail: biuro@synevo.pl, laboratorium@synevo.pl	www.synevo.pl	

5.13.2 Company activities and strategy

Medicover was established in 1995 by Oresa Ventures, a Swedish venture capital company. The company offers both medical insurance and a health care delivery system, to its clients. Medicover employs most of its physicians directly and provides health care through its own facilities.

Prepaid members

Company name	Prepaid members (2002)	Prepaid members (2005)	Pre-paid members (2009)
Medicover Poland	77,600	126,300	280,200 members (plus an additional 200,000 fee-for-service patients)
Medicover Romania	14,000	34,800	65,000 + 75,000 fee for service
Medicover Hungary	1,700	8,000	42,000
Medicover Estonia	2,400	6,800	?
Medicover Czech Republic	-	14,800	35,000
Total	95,700	190,700	422,200

Medicover provides health insurance for corporations and individuals, and delivers health care services through health centres staffed by its own doctors and nurses, and on-site workplace facilities for large employers.

In 2005, Medicover bought two laboratories in Poland (Wroclaw and Lodz) and a private hospital in Warsaw. It also bought 40% in Centrum Medyczne Damiana in Poland, a provider of clinical and hospital services. The company also rebranded its laboratory services, Medicover Rombel, and renamed them Synero in Poland and Romania. In Poland, Synero has several outsourcing contracts from public hospitals. Medicover also provides laboratories and logistics for clinical trials for sites in Poland, Czech Republic, Hungary, Slovakia, Romania, Lithuania, Latvia, Russia and the UK..[65]

In 2006, Medicover was bought by Celex SA, whose owner was also Chairman of Medicover, Jonas af Jochnick, who originally owned 35% of Medicover shares. The company was delisted in 2006.

In 2009, Medicover opened its first private hospital in Poland. The number of pre-paid members has more than doubled between 2005 to 2009. The company has continued to expand its laboratory services.

5.14 Company Name: RENTOKIL INITIAL

Owner
Rentokil Initial plc
2 City Place
Beehive Ring Road
Gatwick Airpor
West Sussex
RH6 0HA
Tel: +44 1293 858 000
www.rentokil-initial.com

EWC: YES

Total employees: 67,373

Business sector sales

Region	Sales £m	No employees
Initial Textiles & Washrooms	£772m	10,719
Pest Control	£396m	6,733
Asia Pacific	£183m	6,465
Ambius tropical Plants	£106m	1,925
CityLink	£353m	5,681
Initial Facilities	£608m	36,050
Total	£2,530m	67,373

Major European subsidiaries

Company	Owner-ship	Country	Website
Dudley Industries Ltd **Initial Building Services Ltd** **Initial Catering Services** **City Link** **Initial Facilities Management Ltd** **Initial Hospital Services Ltd** **Rentokil Initial Services Ltd** **Rentokil Initial Uk ltd** **Rentokil Initial Facility Services (UK)Ltd** **Rentokil Insurance Ltd** **Insitu Cleaning Ltd** **Lancaster Office Cleaning Company Ltd** **Initial Medical Services Ltd**	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%	UK	www.rentikil-initial.com
Rentokil Initial GmbH **Initial Austria GmbH** **Initial Hygiene Austria GmbH**	100% 100% 100%	Austria	www.rentikil-initial.com
Initial Textiles NV **Rentokil NV** **Ambius NV**	100% 100% 100%	Belgium	www.rentikil-initial.com
Initial Ecotex sro	100%	Czech Republic	www.rentikil-initial.com
Rentokil Initial A/S **Initial A/S**	100%	Denmark	www.rentikil-initial.com
Rentokil Ou	100%	Estonia	
Oy Rentokil Ambius AB **Oy Initial AB**	100%	Finland	www.rentikil-initial.com
Initial BTB SA **Rentokil Initial SA** **Ambius SAS** **Technivap SAS**	100% 100% 100% 100%	France	www.rentikil-initial.com
Initial Textile Servies GmbH & Co KG **Rentokil Initial GmbH** **Medentex GmbH** **Initial Waschraumservice GmbH**	100% 100% 100% 100% 100%	Germany	www.rentikil-initial.com
Rentokil Initial Hellas EPE	100%	Greece	www.rentikil-initial.com
Initial Textile Szolgaltato Kft	100%	Hungary	www.rentikil-initial.com
Rentokil Initial Ltd **Integrated Pest Management Ltd** **Initial Medical Services (Ireland) Ltd**	100% 100% 100%	Ireland	
Rentokil Italia SpA **Initial Italia Srl**	100% 100%	Italy	www.rentikil-initial.com

UAB Dezinfa	100%	Lithuania	
Initial Textile Luxembourg Sarl **Rentokil Luxembourg Srl** **R-control Desinfections**	100% 100%	Luxembourg	www.rentikil-initial.com
Initial Hokatex BV **Rentokil Initial BV** **Ambius BV** **Holland Herstel Groep Ureco BV**	100% 100% 100% 100%	Netherlands	www.rentikil-initial.com
Rentolkil Initial Norge AS	100%	Norway	www.rentikil-initial.com
Initial Matador SP zoo	100%	Poland	
Rentokil Initial Portugal-Servicos de Proteccao Ambiental Lda **Initial Portugal Servicos de Proteccao Ambiental Lda**	100% 100%	Portugal	www.rentikil-initial.com
Initial Textile Services Sro	100%	Slovak Republic	www.rentikil-initial.com
Initial Gaviota **Initial Facility Services SAU** **Rentokil Initial Espana SA** **Initial Textiles e hygiene SLU**	100% 100% 100% 100%	Spain	www.rentikil-initial.com
Initial Sverige AB **Rentokil AB** **Ambius Ab**	100% 100% 100%	Sweden	www.rentikil-initial.com
Rentokil Schweiz AG **Initial Schweiz AG**	100% 100%	Switzerland	www.rentikil-initial.com

Source: Rentolkil Initial Annual Report 2009: 85

5.14.1 Company activities and strategy

Rentokil is one of the largest business services companies in the world, providing a range of support services. It operates in four major sectors: hygiene, security, facilities management and parcels delivery. It aims to continue to develop its business services in the major developed economies of the world, with a range of high growth and quality driven sectors, which generate cash and are in less cyclical markets using the strength of the Initial and Rentokil brands. The company does not deliver healthcare services but delivers cleaning and support services to hospitals.

There has been a significant shift in the revenue shares of the different business areas since 2007. Initial Textiles and Washrooms and Initial Facilities both contribute the largest shares of revenue. These two services are most active in Europe, including the UK and Ireland. 30% of Pest Control revenue comes from North America. There are signs that there has been some restructuring and changes in geographical market shares.

In 2005, Rentokil announced that it was consulting on closing its final salary pension scheme. Like Compass, Rentokil has a deficit in its pension fund, which was estimated at £325 on 30 November 2005. Its assets represent 68% of its liabilities. By 2009, the net pension deficit was £64.3 million.

5.15 Company Name: SODEXHO

Owner: Sodexho Group
255 quai de la Bataille de Stalingrad
92130 Issy-les-Moulineaux
FRANCE
Tel : +33 01 30 85 75 00
www.sodexho.com

EWC: YES

Employees: 380,000

Regional sales

Region	Sales %
North America	39%
Europe	45%
Rest of world	16%
Total	

5.15.1 Sectors and employees

Sector	Employees	% sales
Corporate	152,767	34.5
Defence	14,848	3.3
Justice	3,222	1.6
Remote sites	32,055	7.2
Healthcare	60,055	20
Seniors	12,468	6.2
Education	90,438	22.5

5.15.2 Major European subsidiaries

Company	Ownership	Country	Contact	Website
Sodexho Holdings Ltd	100%	United Kingdom	Sodexo 2nd Floor, 25 Chapel Street London NW1 5DH Tel: + (44) 20 7535 7400 Fax: + (44) 20 7535 7401 Contact email: webmaster-uk@sodexo.com www.sodexo.co.uk	http://www.sodexho-uk.com/
Sodexho Nederland BV	100%	Netherlands	Sodexo Nederland B.V. Hoofdkantoor Rivium Boulevard 2 2909 LK CAPELLE AAN DEN IJSSEL THE NETHERLANDS Tel.: +31 10 288 40 99 Fax: +31 10 288 42 22 Website: nl.sodexo.com **Postal address:** P.O. Box 29100, 3001 GC ROTTERDAM, THE NETHERLANDS	http://www.sodexho-nl.com/
Sodexho Sandinavian	100%		SODEXO PL 18 HELSINKI 441 Tel: +358 9 683 47 20 Fax: +358 9 540 77 110 Contact email: neuvo@sodexho.fi http://www.sodexo.fi	www.sodexho.fi
Sogeres SA **Score Groupe** **Gardner Merchant**	100% 100% 100%	France	SODEXHO 255, quai de la Bataille de Stalingrad	www.sodexho.com

Group SA **Sodexho Facilities Management**	100%		92130 Issy-les-Moulineaux FRANCE Tel: + 33 1 30 85 75 00	
Sodexho Italia SPa	100%	Italy	Sodexo Italia SpA Via Fratelli Gracchi 36 20092 Cinisello Balsamo (MI) Tel.: +39 02 69 68 4.1 Fax: +39 02 69 68 43 72 Contact e-mail: sede@sodexho-it.com	http://www.sodexho-it.com/
Sodexho Belgium	73.74%	Belgium	SODEXOIFM rue Charles Lemaire 1 BRUXELLES B-1160 Tel: +32 2 679 12 11 Fax: +32 2 679 14 56 Contact email: info@sodexo-be.com	www.sodexho-be.com
Sodexho Espana	98.86%	Spain	SODEXHO SPAIN Recinto Industrial Colonia Güell Edificio Tint Vell Calle C, n°24 Santa Coloma de Cervelló Barcelona 08690 Tel: +34 936 352 200 Fax: +34 936 308 885 http://www.sodexo.es	www.sodexho.es

5.15.3 Company activities and strategy

The Sodexho Group works in the following sectors: business and industry, defence, correctional services, healthcare, education, older people as well as in remote sites. It also manages vouchers and card schemes. Healthcare is one of its largest sectors.

In the healthcare sector, Sodexho provides a range of services, often described as multi-service, to hospitals and to older people's care homes. These services may include, catering, cleaning, housekeeping, building maintenance and management of paramedical staff. Services delivered within the health care sector provide 20% of total revenue.[66] Sodexho is continuing to develop partnerships with public and private sector organisations in order to deliver services. In the UK it is involved in several PFI project both as an operator and as an investor.

In 2008, Sodexho acquired Zehnacker, a major German Facilities Management company in Health Care, doubling Sodexo's size in Germany. In 2009, Sodexho bought Radhakrishna Hospitality Services Group (RKHS), the leading provider of on-site Service Solutions in India. As an indication of its expansion into home care, Sodexho bought Comfort Keepers, a home care services provider for older people in North America.

In July 2010, Sodexho announced that it had entered into a joint venture with 3i, the private equity group, and Labco, the laboratory services company to form Integrated Pathology Partnerships (iPP), which will sell pathology services in the UK. This will lead to outsourcing of NHS hospital pathology services (see 5.12 Labco).

6 Non-EWC eligible companies

6.1 Company name: ADESLAS

Owners: In 2009, Criteria CaixaCorp, (La Caixa) bought 99,79% of Adeslas for €1.178 millons from Suez Environnement and the Malakoff Médéric group.

Address:
Compania de Seguros Adeslas SA
Principe de Vergara, 110
10 – 28002 Madrid
Spain
Tel: 91 566 50 00
Fax: 91 563 43 20
www.adeslas.es

EWC: NO

Number of employees: 2,915 (2,066 hospital employees and 849 insurance employees)

6.1.1 Company activities and strategy

Adeslas is a Spanish health care company operating both health insurance and health care services. Its insurance division specialises in the production, management and distribution of health insurance policies. It has about 1.5 million members and about 25% of the Spanish health insurance market.

On 1 January 1999, Adeslas, a Spanish health insurance and health services company took over the management of Alzira Hospital, previously the publicly owned Hospital de la Ribera, Valencia. Adeslas (51%) together with two banks - Bancaixa and the Caja de Ahorros del Mediterráneo (45%) - and two construction companies - Dragados (construction and services) and Lubasa (2% each) – formed the Union Temporal de Empresas (UTE), which was given the concession to build and manage the public hospital for 10 years. The group was paid a set amount per head of population each year, initially 34,000 pesetas per head. [67]

Until 2009, Aguas de Barcelona (Agbar) was the majority shareholder in Adeslas. In July 2003, Aguas de Barcelona had sold 25% of its holdings in Adeslas to Mederic, a French insurance company. By 2007, Mederic had increased its holding to 45%. In 2009, Criteria CaixaCorp, bought 99,79% of Adeslas for €1.178 millons from Suez Environnement and the Malakoff Médéric group and also agreed to sell its shares in Agbar to Suez.[68] Caixa will use this acquisition to strengthen its insurance arm, SegurCaixa, which will be the leader in life and health insurance and pensions in Spain. [69]

6.2 Company name: GENERALE DE SANTE

Owner:
Generale de Sante
96, avenue d'Iéna
75783 Paris Cedex 16
Tel: +33 (0) 1 53 14 99
www.generale-de-sante.com

EWC: NO

Total employees: 21,500 employees and 5,500 medical practitioners

6.2.1 Major European subsidiaries

Company	Ownership	Country	Contact	Website
Compagnie Generale de Sante	100%	France	96, avenue d'Iéna 75783 Paris Cedex 16 Tel: +33 (0) 1 53 14 99	www.generale-de-sante.fr
Ospedale de Omegna	49%	Italy		

6.2.2 Company activities and strategy

Generale de Sante is a leading private healthcare company in France with 10% of the market. The company's aim is to be "*a key player in the private hospital sector in France*".

Generale de Sante provides surgical, medical and obstetric services, mental health and rehabilitation services. It works in partnership with the public hospital sector. This involves the creation of cooperative structures, Public Health Cooperation Associations, dividing their activities between a hospital and a clinic located on the same premises, notably in Gassin (Var), Dunkirk (Nord), and Avicenne (Ile-de-France).

Until June 2003, Cinven has held 44% of the shares of Sante Luxembourg (Vivendi Universal 20% and ABN AMRO and Capital France), which held 38% of General de Sante shares. There was an agreement at the flotation in 2000, that Sante Luxembourg would hold shares for three years. In June 2003, Sante Luxembourg shares were sold to Sante Holdings, an Italian holding company owned by Antonino Legresti. Sante Holdings is backed by Efibanca, an Italian regional bank. Sante expects to sell 8% its share capital to Eficanca. The balance of Sante Luxembourg's shares (6.5%) will be placed with French and UK investors with no one investor acquiring more than 1.75% shares.

Sante Holdings is chaired by Antonino Ligresti, a cardiologist and healthcare entrepreneur who was acquitted in 1997, for a fire in a "iperbarica" (high compression) chamber of a clinic in Milan, which caused the deaths of 11 people. A Supreme Court ruling in 2003 annulled his acquittal.

In July 2007, Sante Developpement Europe SAS, owned by Antonio Ligresti, acquired 79.84% of the share capital and voting rights of Generale de Sante. This was achieved through De Agostini SpA unit DEA Capital SpA buying Sante SA (Sante Luxembourg). The ownership structure of Sante SA (Sante Luxembourg) is now:

- Sante Holdings Srl (owned by Antonio Ligresti) 49%
- DeA Capital Investment 43%
- Mediobanca 9.99%

Sante Luxembourg and Sante Developpement Europe SAS now control 80% of Generale de Sante shares.[70]

Since 2008, the company has been consolidating its French activities and by 2010, Generale de Sante had completed the sale of its Italian subsidiaries. Its only remaining interest in Italy is a joint public-private partnership at the Omegna Hospital.

6.3 Company name: JOSE DE MELLO SAUDE

Owner: Grupo Jose de Mello

José de Mello - SGPS, SA
Avenida 24 de Julho, 24
1200-480 Lisboa
Tel: 21 391 60 00
Fax: 21 391 61 70
E-mail: info@josedemello.pt
www.josedemello.pt

EWC: No

Total employees: 2,100

6.3.1 Company activities and strategy

Jose de Mello Saude is part of the De Mello group, a large Portuguese holding company. The healthcare company has 976 beds distributed between three hospitals – Amadora Sintra, CUF Infante Santo and CUF Descobertas. In 2006, it entered the Spanish market by buying 38% of Hospital Group Quiron, a Spanish private hospital group. [71]

José de Mello Residências e Serviços is the José de Mello Group holding company that manages Senior Care Residential Solutions. The company owns Domus Vida and Domus Clube brands which provide independent and assisted living, with units in Junqueira, Parque das Nações and Parede. It also owns DomusCare, which delivers home care services. [72]

7 CONCLUSION

The multinational healthcare sector in Europe is continuing to expand. This review of companies, which are eligible for European Works Councils, shows that over the past three years, a period of economic downturn, healthcare companies have either consolidated or developed new strategies. Global services companies have adopted expansion strategies outside Europe, in either North America or Asia. Healthcare companies have consolidated but remain a significant presence in many public healthcare systems in Europe.

A more rapid rate of expansion can be seen in companies, which started as providers of renal care services and have either continued to expand in renal care or have expanded into more general healthcare management. The increasing role that high technology equipment plays in diagnosis and treatment has provided several companies with opportunities to work with the public healthcare sector in Europe. Euromedic International is a company, which started in the 1990s by providing renal care services in Central Europe, but now provides a wider range of services throughout Europe.

The significance of the company expansion across Europe needs to be considered in the light of the proposed EC Directive on cross-border healthcare. Although this has not been finalised, healthcare companies are already operating in a cross-European market.

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[1] Directive 94/45/EC was adopted by all EU member states except the UK on 22 September 1994, under Article 2(2) of the Agreement on Social Policy (the "Social Chapter") and was later extended to cover the rest of the European Economic Area (Norway, Liechtenstein and Iceland). The deadline for national implementation in these member states was 22 September 1996. The original Directive was extended to cover the UK by directive 97/74/EC in December 1997.

[2] Strictly speaking, the requirements apply to "undertakings", a term which may include partnerships or other forms of organisation as well as companies. http://www.dti.gov.uk/er/consultation/ewcover2.htm

[3] A group of companies (undertakings) includes a controlling company and any companies it controls ("exerts a dominant influence over"), whether by virtue of ownership, financial participation or the governing rules of the controlled company.

[4] Based on the average number of employees, including part-time employees, employed during the previous two years calculated according to national legislation and/or practice. *http://europa.eu.int/comm/employment_social/soc-dial/labour/directive9445/9445euen.htm*

[5] "Member states" means the member states of the European Union, but for the purposes of the EWC Directive includes since 1996 the rest of the European Economic Area (Norway, Liechtenstein and Iceland). The UK opted out of the EWC directive until December 1997. There are now 27 members in 2007.

[6] Article 129 Maastricht Treaty http://europa.eu.int/en/record/mt/title2.html

[7] Article 152 Amsterdam Treaty http://europa.eu.int/scadplus/leg/en/lvb/a16000.htm#a16003

[8] www.ehpa.org
[9] Article 176e on Public Health
[10] Article 35
[11] Protocol on services of general interest C306/158 17 December 2007 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:306:0158:0159:EN:PDF
[12] Eurodiaconia briefing: social rights in the Lisbon Treaty, European and international Charters; possibilities for holding European governments to account www.eurodiaconia.org
[13] ECJ Case law on cross-border aspects of health services, 2007
[14] Proposal for a Directive of the European Parliament and of the Council on services in the Internal Market http://www.labourline.org/DocumentYY.htm&numrec=031269668944140
[15] (SEC(2008)2163)
[16] EC Consultation on Community health services
[17] Results of Consultation
[18] On 5th September 2006, the EU Health Commissioner, Markos Kyprianou, was reported as saying that the European Commission is willing to take an extreme position on the influence of the internal market in healthcare, ahead of any democratic debate on the issue. The EU Health Commissioner said "*the internal market applies to health services. People can shop around. Opening the market could provide lucrative opportunities for private providers to lure clients*".
[19] 6 September 2006 Financial Times
[20] Proposal for a Directive on the application of patients' right in cross border healthcare (SEC(2008)2163/64/830
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[33] Select Committee on Public Accounts (2005-06) Thirty Firth report http://www.publications.parliament.uk/pa/cm200506/cmselect/cmpubacc/694/69403.htm
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