

GenesisCare's first US clinics are offloaded in US bankruptcy

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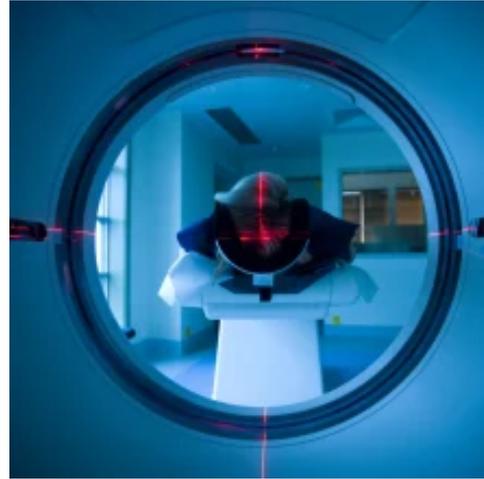
The first US clinics of failed cancer service provider GenesisCare have been sold in its long-running Chapter 11 bankruptcy process.

According to court documents lodged in Bankruptcy Court for the Southern District of Texas in Houston, three of GenesisCare's practices in Alabama have been acquired by Limitless Partners, LLC.

Sixty per cent of the equity interests owned by GenesisCare USA, Inc via an entity called Ambergris LLC, were bought by City Hospital, Inc, also known as Berkeley Medical Centre located in West Virginia.

American Shared Hospital Services will buy its Southern New England Regional Cancer Centre in Rhode Island, and the Roger Williams Radiation Therapy site in Providence, Rhode Island, as well as certain payor contracts owned by GenesisCare.

GenesisCare USA was created after it purchased 21st Century Oncology in Florida



GenesisCare has 440 centres across the UK, Spain, United States and Australia, mostly specialising in radiation therapy. **Nic Walker**

[<https://www.afr.com/companies/healthcare-and-fitness/aussie-cancer-outfit-makes-first-us-move-in-1-5b-deal-20191213-p53js7>] in a \$1.5 billion expansion into the US market in 2019, which would ultimately be its undoing.

One practice in Maryland has been offloaded to Greenbelt Radiation Oncology Centre, LLC. Three practices in Nevada and one practice in Washington were sold to Oncology Consultants, PLLC.

The sale price of these assets was not disclosed, and the auction process is still ongoing with the bulk of the clinics still not sold.

GenesisCare has around 300 radiation therapy centres and integrated medical offices offering urology and pulmonology care in the US.

The auction date has been moved several times and is now scheduled for Wednesday, November 15 in the US. But the date for

a potential auction will move around as negotiations continue with various bidders.

The cancer services provider, founded by Dan Collins in Brisbane in 2005, grew to 440 centres across the UK, Spain, United States and Australia, mostly specialising in radiation therapy.

It was pushed into Chapter 11 bankruptcy in June, [<https://www.afr.com/companies/healthcare-and-fitness/genescare-puts-us-business-into-bankruptcy-seeks-to-restructure-20230601-p5dd84>] with its shareholders China Resources, private equity giant KKR and its employees – getting their equity wiped.

As the US assets are sold, the rest of the company's operations, including in Australia, will come under the financial control of a group of lenders led by Oaktree Capital Management, which provided fresh debt of \$US200 million to help stabilise the company.

Meanwhile, local law firm Clayton Utz is working to comb through GenesisCare's significant EasyPay issues [<https://www.afr.com/companies/healthcare-and-fitness/genescare-charged-patients-in-full-even-when-obliged-to-bulk-bill-20230614-p5dgel>], its in-house billing system which is no longer being used. There were issues with the way it calculated out-of-pocket costs for patients.

Clayton Utz billed \$318,671.65 in fees for just October when it spent 455 hours working on this case – with the majority of those spent on investigations into EasyPay.

Bulk billing patients – which results in no-cost treatment – was required by clinics that were receiving government funding under

a program known as the Radiation Oncology Health Program Grants Scheme.

Clayton Utz's Forensic and Technology Services team also spent time investigating the grants scheme. It spent nearly 60 hours engaging with the Department of Health on all of these issues, and produced a summary report on EasyPay and HPG.

GenesisCare and the Health Department both have previously declined to comment on how much the company might owe the government.

In October, the national cancer services industry body collapsed over a disagreement [<https://www.afr.com/companies/healthcare-and-fitness/genescare-divides-local-cancer-services-industry-20230915-p5e4zu>] about whether GenesisCare's self-reported breaches are an industry-wide problem.

Reaching agreement and quantifying the amount owed to the Australian government relating to EasyPay is a key plank of GenesisCare emerging from Chapter 11.

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