

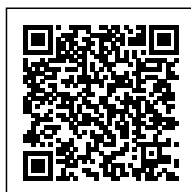
# 'WE'VE SUFFERED AN INCREASE IN LAWSUITS'

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**The crisis meant lawyers and clients perhaps saw a chance to make money by suing Quirónsalud, says the company's in-house lawyer Isaac Millán**

Quirónsalud, Spain's largest private healthcare provider with more than 70 medical centres across

the country, has to deal with a considerable amount of contentious matters and consequently, the company maintains a close relationship with a number of law firms. Isaac Millán, the company's in-house legal adviser, says that a significant proportion of litigation, though not all of it, is passed to external lawyers.

He adds that time constraints, as well as the need for specialist support are the main reasons why contentious work is often handed to law firms. "We have seven in-house lawyers but always outsource litigation, or at least 75 per cent of it," he says. "We outsource litigation because of the amount of time such cases require and because we rely heavily on the expertise and experience of external law firms."

### **Help needed in court**

However, the company's in-house lawyers do have some input into the matters that are outsourced, says Millán. Preliminary legal work prior to a court case is done by Quirónsalud's legal team, but then external lawyers often take over, he explains. "Although we carry out the preparation in-house, attending court and disputing cases is when we need to use external law firms," Millán says. He adds that the company faces between 80 and 90 litigation cases a year, often brought by unsatisfied patients, and he points out that this is normal for a company with a significant number of customers and a large turnover. "That is why it is good to be able to trust an external lawyer, particularly when the law firm is local to the area in which the case is being processed," Millán says. Last year the company won 92 per cent of the litigation cases brought against it, he adds.

The type of external law firm that Quirónsalud instructs depends on the nature of the work. Millán explains: "We use some firms for litigation, others for commercial affairs, such as due diligence for M&A operations, so the use of the firm depends on the needs we have, such as banking or international issues." He adds that the criteria for choosing a law firm depends on the case in question. "We tend to use large, local law firms that have a physical presence in the location of the case," Millán explains. "For us it is important that the law firm has an office where the litigation will take place," he says. "While in banking matters it is more of a case of good relationships with the law firm, whereas in an M&A deal, for example, we focus on the law firms that we have worked with before, which give us confidence, and those that have a long-term relationship with us as it is unlikely that we would change law firms for such an acquisition."

### **Rise in lawsuits**

Millán says that "unfortunately, one of the negative effects of the economic crisis in Spain is that the company suffered an increase in the number of lawsuits brought against it". He continues: "Maybe some lawyers and clients perceive a possible income opportunity," he adds. "If we have made a mistake we will recognise that, as many companies would." Millán continues: "If we are within reason then a lawyer will prove us right."

When it comes to mergers and acquisitions, Millán says the company tends to use the same law firms. Quirónsalud is currently pursuing an expansionist strategy, having completed eight M&A transactions in 2015. "Once you have made an acquisition and lawyers know how you work and what you want, it is simpler to use the same lawyer for subsequent transactions," he adds. Quirónsalud's preferred law firms are Herbert Smith Freehills, Lener and DLA Piper. "They know us very well and know how we do things here," Millán says.

In terms of regulatory changes that have affected Quirónsalud's day-to-day operations, Millán says that corporate compliance is becoming a much more important issue in Spain – this means the company is obliged to adopt new practices in order to become more transparent. **He adds: "Issues such as corporate governance are bringing the company under scrutiny and this causes changes to our day-to-day operations – we have completely changed the way we work over the last six years and that requires collaboration with lawyers."**

**Isaac Millán is in-house legal adviser at Quirónsalud**