

Infected Blood Payment Scheme

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The Parliamentary Under-Secretary of State for Health (Jane Ellison)

On 21 January 2016 the Government launched their consultation on reform of the current ex-gratia payment schemes for individuals infected with HIV and/or hepatitis C following treatment with NHS-supplied blood or blood products before September 1991. They sought views particularly from the beneficiaries of the current schemes and their clinicians but the consultation was open to all to respond. The full analysis of the responses, the detail of the final decisions for the new scheme and an overview of the transition arrangements are set out in the Government's formal consultation response published today.

The response is attached and can be found on the Department of Health's website at: <https://www.gov.uk/government/consultations/infected-blood-reform-of-financial-and-other-support>. The impact assessment and equalities impact assessment will be published on the same website before summer recess.

The Government recognise the suffering experienced by people as a result of this tragedy and the Prime Minister apologised on behalf of the Government in March 2015. Since 1988, successive Governments have set up five schemes to provide financial and other support to those affected. This Government committed further funding of up to £100 million (in January 2016) on top of the additional £25 million pledged by the Prime Minister in March 2015 and the existing baseline budget. This additional money will more than double the Department of Health's annual spend on the scheme over the spending review period. This is significantly more than any previous Government have provided for those affected by this tragedy.

Over the years, there has been criticism from different groups of beneficiaries and their representatives about the way that the current system has been set up and operates. It was clear from this criticism that a more accessible and equitable system of care and support was needed.

In making their decisions for the new scheme, the Government have taken full account of the 1,557 formal responses to the consultation and considered other feedback such as backbench debates on the issue, 21 parliamentary questions and 69 individual pieces of correspondence related to the consultation. The detailed description of the reformed scheme is contained in the consultation response document published today.

The key principles for the reformed scheme are that support will be simple, equitable and responsive to individuals' circumstances, and available resource will be focused on those whose health is most affected.

Specifically, the key aspects for the reformed scheme will be:

All infected individuals will now receive an annual payment. These annual payments will be linked to the consumer price index (CPI) and include the £500 winter fuel payments as a standard payment without the need to apply for it:

Those infected with hepatitis C at stage 1 will receive a new flat rate annual payment of £3,500 (rising to £4,500 from 2018-19) that is not linked to an individual assessment, as was proposed in the consultation—this will be the first time ongoing financial support will be provided for approximately 2,500 stage 1 beneficiaries.

Those with hepatitis C at stage 2 or those with HIV will see their annual payments increase to £15,500 (rising to £18,500 from 2018-19).

Those co-infected with HIV and hepatitis C at stage 1, will receive £18,500 (rising to £22,500 from 2018-19)

For those co-infected with HIV and hepatitis C at stage 2, will receive £30,500 (rising to £36,500 from 2018-19)

Discretionary support will not only continue but will be enhanced from 2018-19

A new special appeals mechanism for those at hepatitis C stage 1 who consider that the impact of their infection on their health may mean they could qualify for stage 2 payments will be introduced from 2017-18

Continuation of a £50,000 lump sum payment for those infected with hepatitis C stage 1 who progress to stage 2

In addition, partners/spouses at the time of death of a primary beneficiary will be entitled to a £10,000 one-off lump sum where the HIV/hepatitis C infection contributed to the death of their partner/spouse. This will apply to those already bereaved and newly bereaved.

All elements of the published reform package apply to the current spending review period of FY 2016-17 to FY 2020-21, during which a review of the scheme will be undertaken. This review will particularly take account of the numbers being treated for Hepatitis C and the implications for the future operation of the scheme.

All payments will continue to be ex-gratia, which means they are funded voluntarily by Government. These payments will also continue to be additional to any other income a person may receive, and are disregarded for the purposes of calculating income tax and eligibility for other state benefits.

Increased annual payments and new annual payments will take effect this year and be backdated to April 2016. Lump sum payments for bereaved spouses/partners will also be implemented this year. Arrangements for a single new scheme administrator will be progressed in the current financial year and become operational in 2017-18.

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The proposals for scheme reform described in the consultation document are for beneficiaries infected in England. Information gathered through the consultation has been shared with the health departments in the devolved Administrations and we will continue to work closely with them.

Attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-07-14/HWS88/>

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