

RESTRICTED - POLICY

MR TAYLOR

From: Permanent Secretary

Date: 6 April 1995

Copy: Mr Holden

Mr Hollebon

Ms Woodeson

Dr Metters

Mr Shaw

Mr Podger

Mr Barton

Mr Scofield

**PAYMENTS FOR THOSE INFECTED WITH HEPATITIS C
THROUGH BLOOD**

M(H) asked if I had any views on this.

2. My recollection is that when the Government conceded payments for those infected with HIV/AIDS via blood products, and then via blood, a very firm line was drawn, by all Ministers, around that scheme. It was, of course a first step down what could be a very slippery slope towards no-fault compensation and that is why the Treasury and others were so adamant that the line had to be defended. There will therefore be great resistance to any weakening of the line.

3. Having looked at no-fault compensation, I do think it is a destination to be avoided at almost any price. It would be very expensive, and it would be immensely difficult to devise a scheme that was acceptable to the parties. Such schemes are I believe no longer well regarded in other countries that have them eg New Zealand.

4. Any concession towards Hepatitis C victims would be very difficult and we should soon be vulnerable to further demands on behalf of those suffering from other forms of Hepatitis, CJD etc etc, let alone from people suffering non-negligent harm eg in the course of surgery. Mr Scofield has given some thought to this, but we would need to do a lot more work to see whether a defensible and containable scheme could be devised. I have my doubts.

5. The logical position is that if one has been harmed through negligence, the law is available for redress; if the harm is non-negligent and accidental, then there may be substantial help available from the statutory services (including social security) but there is no obligation on the government to provide specific schemes of assistance. The HIV/AIDS scheme is an exception to what is otherwise a pretty general rule and I think it may prove easier to differentiate between the HIV/AIDS cases and the rest, (though I recognize the argument is not easy) than it is to draw the line somewhere completely different.

6. I think Ministers will certainly wish to discuss this very fully with officials before reaching a view.

G A HART

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