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From: Mr J F Rutherford
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Date: 20 March 1991

cc: Mr J Canavan-EHF1A

BLOOD HANDLING CHARGES

HEPATITIS C ANTIBODY SCREENING

I attach a draft Executive Letter. It has been decided to draw these two issues together on one EL under the NBTS banner.

You will all appreciate the urgency of both issues so I should be grateful if you would let Elaine Webb (Ext **GRO-C**) have your comments by return.

GRO-C

for JOHN RUTHERFORD

Comments as annotated 'phoned to Elaine Webb 21.3.91.

GRO-C

EL(91)P/

March 1991

CBL 22, HTS 3

Regional General Managers)
General Managers of the) for action
Special Health Authorities)

Dear General Manager

NATIONAL BLOOD TRANSFUSION SERVICE

- I. BLOOD HANDLING CHARGES
- II. HEPATITIS C ANTIBODY SCREENING.

I. HANDLING CHARGES FOR BLOOD AND BLOOD PRODUCTS FROM APRIL 1991

1 This letter sets out the arrangements for blood handling charges which will apply to therapeutic derivatives of whole blood processed by Regional Transfusion Centres and supplied all hospitals from 1991-92. It must be emphasised that there will be no charge for the blood itself. All references to prices and costs in this letter relate to collecting, processing and distribution and not to the blood itself.

Handling Charges for NHS Hospitals

2 As you know the new arrangements to reallocate the existing costs for blood supplied to hospitals will result in Regional budgets being devolved to the hospitals themselves. The RTCs will recover their operating costs from the NHS and private sector hospitals in the form of a handling charge for blood supplied to them.

3 Ministers have confirmed that RTCs will set their own charges based on local costs. It is accepted that there will be differences in charges between the Regions but this is preferable to averaging Regional prices to give a national figure which would bear little relation to local actual costs.

4 [Two Regions have experimented with a charging system this year but without negotiated service agreements and within the current financial arrangements of Regions top slicing RTC operating costs. The experience of these experimental exercises indicates that the system is administratively viable and can operate without detriment to clinical practice.]

Private Sector Handling Charges

5 Hitherto the blood handling charges for private sector hospitals have been set by the Department. Ministers have decided that the charges should be set at Regional level and that the same charges should apply to both the private sector and NHS hospitals. The private sector therefore will also be charged the same Regional charges that will apply to NHS hospitals from 1 April 1991 and there will be no national charge list.

6 Where block contracts with the NHS will be used in 1991-92 RTCs will define unit costs in order to be able to seek reimbursement from the private sector.

7 RTCs will enter into service agreements to ensure the continued provision of blood to the private sector with parity of treatment with the NHS within each Region.

8 To ensure continuity of supply, private sector hospitals will not seek service agreements with RTCs other than the one within whose catchment area they fall. Nor, for reasons of quality assurance, will they transfer blood to hospitals outside the control of the same haematologist.

9 Where NHS patients are treated in a private sector hospital the hospital and NHS purchaser of the treatment will need to agree which of them will reimburse the RTC to avoid double charging.

Quality Assurance and Accountability

10 A consultant must be responsible for ensuring that the quality of blood is maintained. RTCs and all user hospitals must arrange for a clear audit trail between collection and use or disposal of each unit of blood and appropriate records sent by all user hospitals to RTCs monthly. Providing these records are properly maintained hospitals can arrange for the safe disposal of time-expired units.

Ministry of Defence

11 Ministers have confirmed that MOD hospitals will be exempt from blood handling charges. They would not benefit from current plans for the devolution of Regional budgets to users of blood and so would be left to pay handling charges without compensation. In normal times they are small users so the amounts involved in giving them funds specifically to pay these charges would prove a cumbersome solution. The cost of supplying MOD hospitals is already part of the RTC operating costs. Regions will therefore hold back the small sums involved and pay the RTC for MOD supplies rather than devolving it to the Health Authorities. This will not affect the special arrangements for the Gulf crisis.

Hospices

12 Ministers have also agreed that hospices will continue to be exempt from blood handling charges.

II. HEPATITIS C ANTIBODY SCREENING

13 Ministers have agreed that screening for HCV should be introduced as a public health measure. A starting date of 1 July has been set. ^{Further to} ~~the~~ introduction of screening would pose an unacceptable risk to the recipients of blood. *1/2*

Screening Tests

14. A choice of screening tests will be available by 1 July, some in second generation form. Individual RTCs will choose the testing kit they think most suitable. Trials on tests have underlined the importance of having supplementary tests to help determine which donors are truly positive.

Funding

15 The new screening tests will necessarily involve RTCs in additional expense. Since RTCs will move away from direct funding by Regions from 1 April 1991, the cost to them of HCV screening will have to be reflected in higher handling charges to hospitals for blood supplies. The costs that the PHLS (who will carry out the supplementary tests) will charge RTCs ~~for this service~~ ^{how to} will also be included in the handling charges. *//*

16 No ^{additional allocation will be} ~~special provision has been~~ made for the additional cost of HCV testing in the HCMS budget for 1991-92 and Regions will have to meet the increased blood handling charges from their general allocation. ~~Regions will of course be able to include these costs in their bids for future years.~~

17 The Department is negotiating a national maximum contract price for testing kits. Further details of this will be made known as they become available.

Plasma Stockpile Credit and Plasma Prices

18 The BPL continues to have a plasma stockpile, to which RTCs have contributed before cross charging was introduced. Each month CBIA will credit RHAs at current values for 1/12 of their share of that year's estimated usage of the stockpile. In 1991/92 plasma valued at £3.3 million is expected to be used.

19 Prices for recovered plasma will increase from 1 April. Prices for plasma from plasmapheresis will increase again from 1 July to reflect the cost of HCV testing.

Yours sincerely

D. C. DOBSON
Environmental Health and Food Division 1

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