

**NORTHERN REGION BLOOD TRANSFUSION SERVICE
RESPONSE TO DEPARTMENT OF HEALTH
CONSULTATION DOCUMENT
ON THE PROPOSAL TO FORM A
NATIONAL BLOOD AUTHORITY**

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1. Introduction

The Northern Region Blood Transfusion Service presents three responses to the Consultation document.

These are

1. Preferred future management arrangements.
2. Support for revised proposals from Regional Transfusion Directors & Managers.
3. Main areas of concern in the NBA proposal.

In essence the NRBTS believes that strong local management with local accountability provides the best option for the future. This option is outlined in the section '**Preferred future management arrangements**'. Central coordination is available through a small organisation operating on behalf of Regional Transfusion Centres. In this setting BPL operates independently but is provided with the necessary funding etc. to enable it to compete effectively with other plasma fractionators.

It is accepted that the strongly independent stance that we would like to take, whilst possibly appropriate for ourselves will not be suitable for a number of Transfusion Centres. It is also accepted that BPL requires more support to survive. Against this must be placed the view that BPL should only continue if it provides for patients in the NHS the right products, in sufficient volume and provides them cost effectively.

We have assessed various options against the standards that we believe appropriate for a Transfusion Service in the United Kingdom, operating in a predominantly NHS environment. These criteria are outlined in the section '**Aims and Objectives of Transfusion Services**'. We believe that our preferred option meets these requirements most effectively, but we believe that the revised proposal put forward by Transfusion Centre Directors & Managers provides a very satisfactory alternative. The revised proposals also meet many of the concerns about BPL and National Self-sufficiency and perhaps taking a wider perspective will be more effective across the whole country.

The NBA proposal as presented in the consultation paper does not meet our criteria on a number of important points. These are amplified in the section '**Perceived problems in the NBA proposal**'. It does however address the national coordination question, the need for a national image for the NBTS and the link between the NBTS and BPL. We therefore support the formation of an NBA but believe that it should be in the form of the revised proposals from the Transfusion Centre Directors & Managers.

Perceived problems in the NBA proposal

1. It directly manages BPL and hence is accountable for its performance, whilst controlling Transfusion Centres indirectly through contracts for Blood etc. without taking the responsibility for their performance. It will be incumbent upon the NBA to support BPL at the expense of Transfusion Centres. If it did not do this it would be failing in its duties. However overall it is not appropriate to allow this situation to occur.
2. It removes local accountability from Transfusion Centres and by taking over the contracting process for Blood etc. it removes the incentives for the Transfusion Centres to improve their performance or increase their cost effectiveness.
3. The central control of capital is inappropriate. A central body responsible for negotiating purchases of Blood etc. at the best possible price is not the right organisation to allocate capital to the organisations from which it is purchasing.
4. The NBA purports to be in a position to improve the operation of transfusion services in England and Wales. It does not, in the consultation paper, show how it could achieve this. Its only effective control mechanism on Transfusion Centres is through cost control contained in its supply contracts. This method of operation has been discredited within the NHS. It leads to poor management decisions and poor investment decisions. Costs may be cut, but with no incentive to improve quality, true cost effectiveness goes down.

Preferred future management arrangements.

The NRBTS believes that Transfusion Centres should be locally managed and locally accountable. Ideally this would include an option for Transfusion Centres to obtain some form of charitable trust status commensurate with the voluntary donor ethic.

BPL should be moved to an independent position, but for this to be successful it would be necessary for BPL to have access to capital and proper R & D funds. It is recognised that there are a number of very powerful commercial firms in the plasma processing arena who have access to capital and when necessary can no doubt cross subsidise to support certain parts of their operations.

A central coordinating body for the NBTS would be funded by the constituent Transfusion Centres. The role of this body would include certain coordinating functions which are currently performed by the National Directorate. It would also play a part in representing and lobbying on behalf of Transfusion Centres and in gathering information required by Centres. There would also be the role of providing a common image of the Transfusion Service in the U.K.

This option has not been developed in detail here as it is recognised that whilst we consider it an option for the Northern Region Blood Transfusion Service it is not going to be acceptable overall, particularly with regard to the position of BPL.

Aims and Objectives of Transfusion Services

To enable appraisal of the proposals to be carried out, the aims and objectives of the Transfusion Services in England and Wales were sketched out as follows:

The overall situation

1. To provide efficacious Blood, Blood components and Plasma products to all patients in the UK
2. All products should meet statutory, professional and legislative requirements.
3. The arrangements must minimise any future risk of litigation.
4. To provide these products sourced from Voluntary, unremunerated donors so meeting the draft EEC directive and fulfilling the British ethos of avoiding products from paid donors.
5. To progress rapidly to National self sufficiency within a framework of EEC self sufficiency.
6. To ensure that these objectives are met at a cost that is comparable to other developed countries who rely on voluntary unremunerated donors.

The Transfusion Centre Objectives

1. To have a guaranteed supply of Blood and Blood components to meet regular and extraordinary demand.
2. Buildings, equipment and staffing to be of sufficient standard to meet legislative requirements and so ensuring that products are efficacious and do not give rise to litigation.
3. Maximum plasma must be recovered to enable at least Regional self sufficiency.
4. To be cost effective as judged against other Regional Centres.

The Bio Products Laboratory Objectives

1. Produce products of a type and quality required by UK health care professionals.
2. Products to be fully licensed and to conform to those licences.
3. Supply to be:
 - (a) sufficient to meet 'sales', and
 - (b) at a level to meet the UK's commitment to EEC self sufficiency
4. To operate cost effectively when compared to other EEC fractionators operating with voluntary donor plasma.

Regional Haematologists Responses

Consultation with Haematologists in the area supplied by the Northern Region Blood Transfusion Service

Nineteen hospital blood banks are supplied and all were asked to comment on the NBA proposals. Replies were received from nine, all replies coming from a Consultant Haematologist.

Summary:

- (a) None in favour of the NBA proposal.
- (b) Nearly all against the monopolistic purchaser/supplier situation with unnecessarily bureaucratic contracts.
- (c) Nearly all want local autonomy and local responsiveness retained, although one wished to see the Transfusion Centre centrally managed.
- (d) Most opposed the central control of capital, questioning how the NBA could improve on the current situation for this Region.
- (e) Several believed that although the proposal indicates that the NBA would improve standards and improve cost effectiveness, they saw no reason to believe that either of these would come about.
- (f) Several looked on the NBA as something similar to a nationalised industry with inherently higher costs and increasing bureaucracy and one commented that like the current National Directorate, it would slow down progress as happened with Hepatitis C antibody testing.
- (g) Views on the position of BPL were mixed. Some advocated incorporation, others advocated its separation. A view was expressed that BPL would flourish if it provided the products and services customers wanted, on the other hand to "feather bed" BPL would be counterproductive. Several expressed a view that the NBA provided a means of artificially supporting BPL, probably at the expense of Transfusion Centres.
- (h) A few commented on the lack of any view on national (or regional) self sufficiency in the NBA proposal.
- (i) One supported trust status, one supported a degree of local autonomy akin to trust status and one opposed trust status for the Transfusion Centre.
- (j) The concept that the NBA should act to set and monitor standards and possibly accredit Transfusion Centres was proposed as was the idea that the NBA should be an organisation supported and funded by the Transfusion Centres.
- (k) A few commented on the potential loss or reduction in local services outside the simple delivery of units of blood and blood products.

Conclusion.

The NRBTS supports a central body for the NBTS and whilst preferring this to be a small coordinating body, accepts that a wider remit is more appropriate when viewed from a National perspective. The NBA proposal as presented in the consultation document provides a central body but the revised proposals from Transfusion Centre Directors & Managers offers a solution which is more likely to ensure that transfusion services in England and Wales meet their and the Nations needs. The revised proposal also removes the need for the unnecessarily complex contracting process and retains local accountability. It also offers a route whereby failure to perform at Transfusion Centre level is identified promptly and the causes brought to light, so allowing effective corrective action to be taken.

The main concerns of the Haematologists in the Region who replied to the consultation process will be addressed by the revised proposals and will ensure that local accountability and local links are maintained.

The Northern Region Blood Transfusion Service would like to support the revised proposals from the Transfusion Centre Directors & Managers and believes that these will prove more effective than the currently proposed NBA arrangements. The revised NBA proposal does not preclude the Transfusion Centre from moving at some stage to a more independent position, but the NRBTS finds the current relationship with the Northern Regional Health Authority satisfactory. It has found the Northern RHA to be supportive of the direction it has taken over the last few years, which has resulted in improvements in cost effectiveness and general management of the service. The support from the Northern RHA has included an adequate access to capital for the maintenance of standards as well as for developments.

Huw L. Lloyd
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Appendix 1 - Regional NBA assessment

The possible effects of the proposed NBA are considered under three headings.

- (a) Effects on the Northern RHA
- (b) Effects on the Region's Hospitals
- (c) Effects on the Transfusion Centre

(A) Effects on the Northern RHA

Positive: (i) More central controls with centrally set quality standards removes some of the onus and risks associated with product liability from the RHA, on behalf of it's RTC.

(ii) Central control of capital removes the need for the RHA to consider RTC capital requirements.

Negative: (i) The RTC will be squeezed by the NBA which is a monopoly purchaser setting costs, supply volumes, and standards. If the RTC runs into financial difficulty it will be the RHA which is faced with managing the overspend.

(ii) Top slicing capital will mean that the Northern RHA will be funding those Regions which have not put much capital into their RTC's over the last few years.

(iii) As with the RTC, the RHA will be faced with the responsibility without having any say in the income available to operate the RTC, the standards it is obliged to operate to, or the level of activity required.

(B) Effects on the Regions Hospitals.

Positive: (i) Supplies of Blood etc. may be better guaranteed under the NBA proposal with it's broader overview of supplies throughout the U.K.

(ii) Supplies of BPL products (e.g. factor viii, Albumins) may become more competitively priced with the NBA in a position to manage the price of plasma, it's raw material, to BPL

Negative: (i) Hospitals will be paying for high cost Transfusion Centres, as the charges for Blood and blood components will be standardised across the country. There has been some suggestion of price banding but how this would work in practice has not been made clear.

(ii) Contracts for the supply of Blood and blood components will be held by the central NBA authority. All decisions on price, quality and related services will have to be negotiated, or at least agreed with the NBA. There has been a suggestion that the negotiations can be carried out locally, but as the control of cost and quality are matters for the NBA it is hard to believe that this could work in practice.

- (iii) The source of supply of Blood and blood components will be decided by the NBA. Whilst there is little choice at present, at least the Hospital concerned can negotiate locally. It is possible under the NBA arrangements for a hospital to be sent products produced to different standards to those of its local Transfusion Centre and for the hospital to have no say in these arrangements.
- (iv) Hospitals will not be able to hold individual Transfusion Centres (or its Director) to account for failure to supply. The responsibility will lie with the NBA.
- (v) The NBA wishes to protect the BPL and this will primarily come from a process of adjusting the ratio of costs between cellular products (e.g. Blood) and plasma. This will mean that hospitals are subsidising plasma prices in the handling charges they pay for Blood and blood components to the NBA. If they purchase the 'competitively priced' BPL products, they will have already subsidised them. On the other hand if they purchase non-BPL products they will still have had to pay the subsidy.

(C) Effects on the Transfusion Service.

Positive: (i) Improvements in the common image of the Transfusion Service across the U.K. could improve donor recruitment.

- (ii) No hospital contracts to negotiate, only one contract with the NBA, so reducing workload.
- (iii) All considerations on quality matters will be handled by the NBA. This will reduce the need to make local decisions. The same goes to some extent for capital programmes, as the NBA intends to direct capital to where it is most appropriate.

Negative: (i) Loss of any requirement to make decisions on quality or investment and less pressure for this Transfusion Centre to continue to improve its cost effectiveness will remove many incentives and lead to a levelling down across the Service rather than a levelling up.

- (ii) There will be little incentive to alter services to meet local demand as the contracts will be held centrally.
- (iii) There is likely to be a loss of local serology reference facilities as these are not included in the NBA contracts. The Transfusion Centre will need to negotiate local contracts for reference facilities, advice services and training. As the cost of Blood and Blood components is likely to rise it is unlikely that hospitals will wish to purchase additional services which are currently included in the overall cost of service.
- (iv) As the NBA will reimburse Centres for their collection, testing, processing and distribution costs, then the easiest option for Centres not at the top of the cost league will be to allow their costs to rise. There will be little incentive to improve cost control.

Appendix 2 - Consultation Document Responses

The consultation document asks four specific questions and these are answered below.

1. Should the NBA be set up

I believe that some form of coordinating body should be set up. This should be small, concentrate on setting a small number of key objectives and should not be involved in the direct management of the Bio Products Laboratory (BPL).

The revised proposal from Transfusion Centre Directors & Managers offers an acceptable alternative, retaining the concept of a small central organisation, but including BPL in it's remit albeit not as a directly managed unit.

2. Funding Arrangements for the NBA.

The funding of the NBA should be by a direct charge on the products and services for which it is responsible. This will make it more accountable for it's expenditure. Consumers (provider units) should be able to see what the central organisation costs and could expect the NBA to be able to justify it's own existence in terms of cost effectiveness which includes quality of both products and services, as well as their costs.

3. The Implications for RTC's

This has been covered in the main report. It is a rather restrictive question as it leaves out any consideration of the effects on RHA's and on hospitals and it does not ask for comment on the role of BPL.

Appendix 1 contains an assesement of the possible effects of the NBA on the RHA, and on the Regions' hospitals.

4. Other Aspects

Para. 16 requests comments on the management arrangements for RTC's. As far as I am concerned the current arrangement is entirely satisfactory. I would also find NHS Trust status satisfactory, although I accept that the sensitive nature of Transfusion Services makes this option less attractive at present. There may be an alternative arrangement with the Transfusion Centre becoming some form of charitable trust which would be compatible with the voluntary unremunerated donor ethic in this country.