

RESTRICTED - POLICY

Mrs Weatherseed PS/PS(H)

From : Paul Pudlo CA:OPU2

Date : 4 April 1996

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HEPATITIS C COMPENSATION - THE HAEMOPHILIA SOCIETY

1. Following Mr Guinness' submissions of 12 February and 11 March and the meeting between PS(H) and the Haemophilia Society on 26 March, this is to inform PS(H) of further discussions with Graham Barker of the Haemophilia Society yesterday.

2. In asking for the meeting the Society clearly recognised that, as currently presented, it was very difficult for the Department to cost and therefore assess, the proposals for compensation presented at the meeting on 26 March. The Society sought to provide some indicators of the sort of payments that they believe would be acceptable to their membership as a whole. They are aware that the information given would be used to estimate costs and that these would be presented to Ministers. However it was agreed that this was being done in the spirit of cooperation, to help quantify costs, but that the figures would not be taken to represent a formal statement of the Society's position.

3. The Society confirmed that the compensation they are seeking includes those haemophiliacs who have already accepted payment for HIV infection (notwithstanding the fact that this group had waived their legal rights to any further action against a Government Department arising from Hepatitis infection) and that a settlement that excluded this group would lead a continued campaign on their behalf. As outlined in the earlier briefing to PS(H) the proposed scheme consists of 5 elements which are described and costed (excluding administration) in the attached summary. These have not been shared with the Society.

3. In general the proposal is difficult to distinguish from the existing scheme for HIV infected haemophiliacs. Despite the additional refinement the estimates of cost are inevitably crude. The totals are higher than those predicted for an HIV-type scheme in Mr Guinness' submission of 12 February (£140m) for two reasons. Firstly this scheme includes additional payments to those already compensated under the HIV scheme and secondly the rates sought are somewhat higher.

4. As an alternative and (mentioned at the meeting with PS(H)), the Society are attracted by the Irish scheme whereby an independent tribunal assesses payments according to the law of tort. The few payments made so far indicate that, if applied on similar principles in the UK the overall cost would be very much higher than any estimates made so far. As indicated in previous submissions and acknowledged by the Society, it would be very difficult to exclude non-haemophiliacs from any scheme. The effect would be to at least double the estimated costs.

5. The Society will be expecting a response to their proposals in due course. They recognise that this may take some time for Ministers to consider, given the sums involved. They have offered further talks if Ministers think this would be useful. However it is likely that eventually, they will deem failure to announce an intention to establish a scheme as an indication that one is not being contemplated.

6. Is there any further work that PS(H) would like officials to undertake?

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