

UKHCDO (United Kingdom Haemophilia Centre Doctors' Organisation)

4 August 2003 (3)

Dept. of Clinical & Laboratory Haematology
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To all Haemophilia Centre Directors in England

PRIVATE & CONFIDENTIAL

Dear Colleague,

Re: Provision of Recombinant Products for Adult Haemophiliacs in ENGLAND

**THE INFORMATION INCLUDED IN THIS EMAIL IS PRIVILEGED
INFORMATION AND THE BID PRICE OF INDIVIDUAL COMPANIES MUST
UNDER NO CIRCUMSTANCES BE DISCUSSED WITH OTHER COMPANIES.**

We are attaching a summary of the received tenders and you will notice that these are for the implementation period of 3 years. It had been hoped that by going to national tender for the required recombinant products for adults, that we would bring prices down. This appears to be the case for tenders from two of the four suppliers whose offers are very significantly less expensive than the remaining two. In awarding the contract, we need to consider the following:-

- (1) Nature of product and whether there are added human or animal proteins.
- (2) Rolling out recombinant factor VIII to as many patients as quickly as possible.
- (3) The relative cost of each product.
- (4) Trying to avoid a monopoly supplier.

At this time, we have available for purchase first and second generation products only but a third generation product (Advate, Baxter) is expected shortly to gain a UK product license. With regard to a monopoly supplier, the current situation for those under 22's is that they are supplied by all four manufacturers. This therefore allows us to purchase the second generation recombinant factor VIII from the 2 most competitive tenders without introducing a monopoly, which would also enable the majority of patients to start on recombinant products during the first year.

Alternatively, we could award the bulk of the contract to the most competitive tenders and have a small proportion from the other 2 suppliers. If we assume that the average cost per unit of plasma FVIII is 28p then the price difference between pdVIII and the cheapest rVIII is 17.5p/iu and the difference between the cheapest and most expensive tender for rVIII (including VAT) is a further 16 p/iu. If one translates this into units of

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recombinant factor VIII that could be purchased from the DoH allocation, the cheapest tender would enable us to purchase twice as many units of rVIII as the most expensive enabling almost twice as many patients to change to recombinant factor VIII in the first year.

For recombinant FIX there is a single supplier (Baxter) and so this would be rolled out on the agreed age banding procedure. The cost of treatment of haemophilia B in this group is expected to increase three-fold because of the poor recovery of Benefix and the price difference of 39p/unit.

Could you consider these issues and reply to me no later than 22nd August 2003, so that I can represent your views on how the contract should be placed to the D.O.H. Working Group that is overseeing this implementation process.

Please use the attached reply sheet and email to me (GRO-C).

Yours sincerely,

Frank G.H. Hill
Chairman – UKHCDO

P.S. If anyone has not returned their patient data, please do so without further delay. Your patients would not be pleased if they are excluded from this treatment improvement. **FGHH.**

Enc: Reply Form