

Annex B

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From: R.M. Gutowski

Date: 12 September 03

cc: Robert Finch
Martin Campbell
Richard Olszewski
Steve Bates
Vicki King
David Reay

Hepatitis C Ex-Gratia Payment Scheme

Purpose

1. To update you on Malcolm Chisholm's appearance before the Scottish Health Committee and to confirm our current lines to take.

Timing

2. Non-urgent for information only.

Background

3. Malcolm Chisholm appeared before the Scottish Health Committee on 9th September to answer questions on the proposed Hepatitis C Ex-gratia Payment Scheme. It was this appearance which in part precipitated your announcement of the Scheme on 29 August.

During the course of his appearance Malcolm Chisholm reconfirmed that the payments could be as he had originally announced back in January ie. £20,000 to those infected with Hepatitis C as a result of treatment with NHS blood and a further £25,000 payable if a person's condition advances to a medically defined trigger point. These are the levels of payment we have based our cost calculations on. He also confirmed that there would be no payments to dependants which again is a position we adopt although we have not made any public statements to that effect.

4. The Committee pursued two other issues. Firstly, when would patients become eligible for payment and Malcolm Chisholm stated that the date would be that of the announcement (i.e. 29 August). Secondly the need for a public inquiry which he fended off by stating that no extra evidence had come to light to warrant one.

5. Since the announcement we have already had a meeting with officials from the Devolved Administrations and good progress was made. In particular there was a general consensus that there should be a single UK scheme administered by the MacFarlane Trust and I am setting up a meeting with them to take this forward. The meeting also considered the involvement of other interested parties, such as the Haemophilia Society in the development of the Scheme. The conclusion reached was that these groups should be invited to contribute to and comment on various aspects of the Scheme where they had a particular expertise or interest rather than be involved in the drafting of the scheme. Our concern was that if you invited one Group then you must invite them all. Whilst the Haemophilia Society are supportive of your announcement, although it is doubtful they will be happy with the level of payments, other groups are hostile seeing it as a smokescreen not to have a public inquiry. Are you happy with this level of involvement of the Pressure Groups?
6. On the question of detail of the Scheme, Malcolm Chisholm's announcement will continue to generate criticism particularly as to the level of payments and none to dependants. Our line on the detail has been to state that they are "still to be worked up", in line with your announcement. To be more specific now would clearly demonstrate that some details were worked up at the time of the announcement and pressure groups will feel that they have not had the opportunity to influence our thinking. Our view is to maintain this line until a more robust package has been put together, when we can make a more positive announcement.

Conclusion

7. You are asked to agree that we maintain the "still to be worked up" line as far as the detail is concerned and that Pressure Groups be invited to comment on specific detail rather than be involved in the drafting of the scheme.

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