

To: James Ewing

From: William Connon

Date: 14 June 2005

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## **HEPATITS C EX GRATIA PAYMENT SCHEME**

1. You have asked for advice on the letter Andy Kerr, Minister for Health and Community Care sent to our Secretary of State on 2 June. This letter is principally to alert Ministers in the other Health Departments about recent developments in Scotland on the Hepatitis C ex-gratia payment scheme.
2. We have already drafted a briefing note for Secretary of State on the payment scheme, this summarises the current position in Scotland. We understand that Andy Kerr is very concerned about the amendments by the SNP which have the effect of extending the eligibility criteria to the widows and dependents of people who contracted hepatitis C through contaminated blood and blood products, and who have died. He will move to have the amendments removed on 30 June.
3. This latest turn of events has serious implications for the existing scheme and once again, we find ourselves in a position where events in Scotland may put Ministers here under increased pressure to follow the Scots. In addition, there is concern that if the amendments are agreed then this will set a precedent for other cases. The whole basis on which the payment scheme was set up was to provide financial support to people living with the virus. These ex-gratia payments are designed to alleviate suffering of those living with the hepatitis C and do not infer that the NHS is liable.
4. Officials in the Scottish Executive have been asked to work out the potential cost of the amendments which we have not yet seen. We have not sought to provide any calculations because, we are, at present, unclear as to the extent of the Scottish amendments and because we don't know the number of dependants of people who have died.
5. We do not consider a formal reply at this stage is necessary. The SofS may wish to speak with Andy Kerr on this matter. We would be grateful to have SofS views on the current the structure of the payment scheme and whether we should continue to hold the line that widows and dependents should continue to be excluded from the payment scheme.

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