To: Ms Weatherseed
PS/PS(H)

From: Christine Corrigan CA OPU2

Date: 11 September 1996

Copies: Mr Holden PS/SofS
Dr Gray PS/Perm Sec
Mr Griffiths PS/CE
Mr Staniforth CAD
Mr Guinness CA OPU
Dr Rejman CA OPU2
Ms Wakeman Parly
Mr Billinge ID
Mr Knight ID
Ms Towner CA OPU2

HAEMOPHILIACS INFECTED WITH HEPATITIS C

1. PS(H) asked for a brief round-up of the current situation on blood product issues and for advice on whether, in the light of recent events, any amendments should be made to the proposed response to the Haemophilia Society's letter seeking financial assistance for haemophiliacs infected with hepatitis C. I am sorry that I was unable to let you have this earlier.

2. I attach a brief summary of the present position on the main issues. Those indicate that there have been no new developments which would indicate that reconsideration of the Department's position on the claim for no-fault compensation might be warranted. Nor does there appear to be any further scope at present (other than the assurance already given in the draft letter of PS(H)'s positive consideration of future applications for Section 64 grants) for offering any additional support outside of such a scheme.

3. Turning to the question of possible amendments to the draft letter, Mr Guinness minuted you on 22 July about the CJD judgement offering a possible addition to the fourth paragraph, should PS(H) specifically wish to refer to that issue. As for the other main areas of contention, the indications are that the question of the funding of recombinant Factor VIII is most likely to dominate the Society's future campaign agenda (particularly in the light of the decision made by Scottish Ministers). However, while I appreciate PS(H)'s concern that his response should be as comprehensive as possible, I have discussed this matter with colleagues and we would strongly recommend to PS(H)

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that he should not add anything further on that issue, particularly as the message is another negative one and might therefore only serve to make the response as a whole appear unduly harsh. The Haemophilia Society will undoubtedly be raising the question of the funding of recombinant Factor VIII again shortly - this is not an issue which will go away, whatever is said now. Our advice however is that the Society (and, indeed, haemophilia centre directors) over exaggerate the benefits -except in certain limited circumstances - of the use of recombinant Factor VIII, and we would not wish to give any signals that this should be a priority for additional expenditure. I would therefore suggest that, rather than anticipating their arguments and offering them a specific target for subsequent correspondence, it might be best to save what ammunition we have until we see the particular tack they are proposing to take and how we might best address their particular arguments.

4. If PS(H) is nevertheless minded to address the issue, he might like to consider adding a paragraph after that which begins "One of the best....." on the lines of :

"I am of course aware of your concern about the costs of recombinant Factor VIII relative to those of plasma-derived Factor VIII, particularly since the decision by Customs and Excise that recombinant Factor VIII, like other recombinant pharmaceutical products, does not qualify for statutory relief from VAT. (I understand incidentally that the latter issue, which is a matter solely for Customs and Excise, is to be considered by the independent VAT and Duties Tribunal following an appeal by one of the companies involved.) May I perhaps first make the obvious, but nevertheless in this context very important, point that the price charged for recombinant Factor VIII is a matter for the manufacturing company concerned. More importantly from the Department's view, however, the fact remains that products derived solely from human plasma have a good safety record. Furthermore all currently licensed forms of recombinant Factor VIII use human albumin as a stabiliser and are not therefore wholly artificial and free from risk. Haemophiliacs are accordingly in no different position with regard to recombinant Factor VIII than that of any other patient where alternative treatments are available. The decision as to which treatment to use must be for the clinical judgement of the doctor concerned, taking account of the patient's individual needs and the availability of resources."

5. I understand that PS(H) is considering issuing his reply to the Society this week. It would be very helpful if you could let us know at the earliest opportunity when that is likely to be so that we can prepare for any reaction. Please let me know if there is anything further you would like from us on this.

Chris Corrigan
CA OPU2

Room 315, EH
Ext: Ext GRO-C