From the Rt Hon Andrew Lansley CBE MP
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IMC 2084B

Nicola Sturgeon MSP
Deputy First Minister & Cabinet Secretary for
Health and Wellbeing
Scottish Governement
St Andrews House
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10 January 2011

Dear Nicola,

CONTAMINATED BLOOD

As you know, my officials have conducted a short review of some aspects of service provision and financial relief for those affected by infections acquired by contaminated blood in the 1970s and 80s.

In his independent report, Lord Archer of Sandwell identified some specific anomalies between the payment schemes for those with hepatitis C and those with HIV, and these have been the main focus of the financial element of the review.

Financial pressures notwithstanding, I consider this group of people, infected through their NHS treatment, to be uniquely deserving of financial assistance for the remaining years of their lives. I also want to address, where possible, current and future hardships to dependants.

Consequently, I have considered a package of financial measures for those affected by hepatitis C and I am now proposing to implement the following package of measures:

1. Introduce a recurrent flat rate annual payment of £12,800 for each living person who is infected with hepatitis C who has developed serious liver disease, coupled with additional discretionary payments for those infected with hepatitis C and their dependants, which will be targeted at those in greatest need. These

discretionary payments will also be available for individuals with chronic hepatitis C infection, but who have not developed serious liver disease; they will be eligibly to receive discretionary payments, based on need. These changes will mean that the financial relief scheme for hepatitis C infection will operate on the same principle as those for HIV infection.

2. This new recurrent payment for hepatitis C, along with the existing payment for HIV, will be uprated annually in line with the CPI, and like the current ex-gratia payments will also continue to be disregarded for the purposes of calculating income tax and eligibility for calculating other state benefits.

3. Those individuals who were infected with hepatitis C, but who died prior to 29 August 2003, will be made eligible for posthumous Stage 1 (currently £20,000) and Stage 2 payments (currently £25,000, in addition to Stage 1), based on the existing eligibility criteria of the Skipton Fund. These are the levels of payments that they would have been eligible for if they had they been alive on 29 August 2003. We are not being prescriptive on stating who can make this claim on behalf of the deceased, but only one payment will be made to the estate in respect of one infected individual. If intestate, the Skipton Fund already has tested mechanisms for assessing claims and making payments in respect of those who have died by the time the application is processed and we will expect them to employ the same practice for this pre-2003 group. This will correct the anomaly that has existed since the scheme was set up – an anomaly which has been loudly and continually campaigned about. However, we need to be clear that as this payment is being made in respect of a deceased individual, it will go to their estate first and then be disbursed in accordance with the terms of the estate. This will mean that the money may go to relatives (e.g. spouse/children), or other beneficiary (e.g. charity), but could go towards clearing debts if the person died in debt.

4. We will make a further lump-sum payment of £25,000 for those with most serious hepatitis C-related illness, increasing the amount they receive at Stage 2 from £25,000 to £50,000. This payment reflects the fact that the medical and scientific evidence base we sought, and which forms a key basis of our review report, clearly

identifies a compassionate need for additional support for those with Stage 2 (severe) hepatitis C. This payment will apply to all successful Stage 2 applications – past, current and future (including the pre-2003 catch-up). We intend to accrue for as much of these payments, and those at item 3, as possible in this financial year.

5. This infected patient group (both hepatitis C and HIV) will be provided with the cost of an annual prescription season ticket (England only) so the net effect is that they will not have to pay for their prescriptions (only for those who are not otherwise exempt from these charges).

6. All new ex-gratia payments to this patient group will be disregarded for the purposes of means testing for social care services in England, as is currently the case for existing ex-gratia payments. We will in addition be providing £100,000 per annum in England to selected national charities for three years to provide additional access to counselling for this patient group.

Clearly, a UK-wide acceptance, especially for items 1 to 4, would be preferable for the campaigners, but I appreciate that as the costs of hepatitis C-related support (via the Skipton Fund) are borne by each UK-country, that this has financial implications for each of the devolved administrations. I do, however, intend to proceed to implement this package for England. I understand that officials have already been in contact and will continue to liaise on the details of costings and implementation, as appropriate.

I will be making an announcement in Parliament today on this issue. I understand you will want to make your own announcement in this respect, but I will ask my officials will liaise with yours about the implementation of any arrangement you may wish to put in place.

I am writing in similar terms to Edwina Hart and Michael McGimpsey.

Yours ever,

GRO-C

ANDREW LANSLEY CBE

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