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Miss Holtermann

THE ECONOMIC ASPECTS OF BLOOD PRODUCTS PRODUCTION

Thank you for your minute of 15 June which is very helpful although I must confess to a dismal lack of knowledge of linear programming models and hence a far from complete understanding of paragraph 7.

In view of the interest in the office in the cost of blood products and the "economics" of the various options for obtaining them which appear to be open to the Department, I wonder whether you would be willing to talk to a small gathering when you could expand on your ideas and enlighten us about the significance of linear programming in this connection.

In regard to "stop-gap" this was, as its name suggests, intended as an interim measure, although some capital investment is involved. BPL is already at capacity and we are still a long way from self sufficiency. For this reason it has been decided to go ahead with "stop-gap" which consists essentially of updating existing proven technology which the experts are confident will provide the maximum early benefit at minimum cost. In respect of factor VIII and indeed certain other blood products, the options are not as numerous as they may seem at first. There is plenty of Factor VIII available from commercial sources but there is doubt about the circumstances in which the plasma is collected abroad which largely influenced Ministers (so I understand) to enunciate the doctrine of NHS self sufficiency in blood products. While this does not preclude some arrangement with industry whereby they process NHS plasma (and this option must be examined very carefully) I understand that there is at present no commercial fractionating capacity in the United Kingdom. I doubt whether shipping NBTS plasma abroad for fractionation is a valid option.

GRO-C

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10th July 1978

cc Mr Draper
Mr Parrott
Mr M A Harris
Mrs Yuille ✓
Mr Brennan