

1453 3/19

GRO-C

Mr Hilton 5/82
FB2C

CHARGES FOR BLOOD/BLOOD PRODUCTS

1. Thank you for your minute of 21 December. I appreciate the effort which your Branch has been putting into the calculation of these charges, and I agree that an office meeting would be helpful to pull together the various threads. Mrs Creagh will be in touch shortly. At this stage I think it unnecessary to take up Mr Suckling's time since we will still be dealing with the minutiae of charges.
 2. You mentioned in passing the problems with the costings produced by Wessex. Mr Layzell (Regional Treasurer) telephoned me just before Christmas to say that the figures attached to his letter of 25 November should be 'scrapped'. They were wrong in a number of respects, not least that the price basis chosen was a year out of date! Mr Layzell has just sent me the attached revised costings which you may find of interest. I have sent a copy to Dr Gunson.
 3. I am not sure whether it is feasible, but it might be useful if, for the meeting, Finance Division could draw up a proposed scale of charges indicating those areas where doubts exist. We are fast approaching the stage where we need to plump for figures for 1982/83; we can consider separately how best to refine them for future years.
 4. The major figure, and certainly the one which will get most attention, will be the charge for whole blood. It was not unexpected that Wessex's revised figure is lower than Manchester. The difference is also reflected in their formal Costs Return. However, we do need to opt for a figure, and I wondered whether there was any mileage to be gained by comparing North Western's and Wessex's "cost per 100 bottles collected", (ie from the Costs Forms) to the national average and the average for the Thames Regional Transfusion Centres (which, as you know, supply most blood to the private sector). If we relate our charge too closely to Dr Gunson's figures, the private sector might claim that we have chosen an expensive and, even in their view less efficient, Centre. On the other hand, we do not want to "undersell" blood since the intention of charges is to recover in full the NBTs' costs.
 5. I was a little bit puzzled by your reference to hospital blood bank costs. This is something which, with Dr Walford's assistance, we can discuss more fully at our meeting. I am not sure what costs are involved for hospital blood banks. Cross-matching is, I suspect, a red-herring in that there already exists provision for the NHS to charge private hospitals on an item of service basis for any pathology test carried out by the NHS on behalf of a private hospital.
- * Meeting now arranged Monday 11.1.82 at 2 pm in Room 919 Hannub

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5 January 1982 ✓

cc: Mr Harris Mr Pumfrey Dr Walford - with Mr Hilton's minute
of 21 December/Mr Layzell's letter of 22 December.
Mr Suckling - with Mr Hilton's minute only
Mr Angley - for info.