(HIM 16/2



Headquarters

Department of Health Eileen House 80-94 Newington Causeway London SE1 6EF

Tel 071-972 2000

12 December 1995

Dear Professor Thomas

Professor H. C. Thomas Department of Medicine

South Wharf Road

London W2 1NY

Imperial College School of Medicine

St Mary's Hospital (QEQM Wing)

Thank you for your letter of 23 November concerning Hepatitis C treatment. I am sorry for the delay in replying. I have been consulting within the Department.

I should firstly clarify the nature of Mr Sackville's commitment in the House of Commons. The Minister said, in relation to the debate on Haemophiliacs with Hepatitis C, that he would "investigate the issue of medication supplies....to see what can be done to ensure that the treatment promised is provided". We have been in touch with Directors of Haemophilia Centres to seek to identify the nature and extent of any problems and that process is continuing. You raise the related but wider question of funding for Interferon treatment generally.

I cannot locate a copy of the letter from your Chief Executive to which refer but I do appreciate the point that you are making.

Resources are allocated directly to health authorities using a national formula, which is based on resident population projections and then weighted to take account of a number of factors, which include relative health and age. Purchasers are responsible for assessing the health needs of all their local residents, deciding which services to purchase and where to place contracts. Purchasers will take account of local priorities within the national framework of policies and priorities, competing demands for resources and the relative cost/benefit assessment of alternative treatments.

ł



In order to persuade purchasers of the value of a particular treatment it is important that arguments are linked to a sound evidence base. This is especially so if you are hoping that your purchasers will provide new funds to expand a service, which must always be at the expense of care that could be provided to other patient groups. The evidence will be all the more persuasive if support be a professional consensus that a particular treatment strategy represents the preferred option and that it represents good value for money. Purchasers will also be encouraged to see that a relatively expensive treatment is going to be the subject of a protocol and clinical audit will be used to review care.

I am sure that none of your purchasers would want to deny proven and affordable treatment to any of their residents. If you want them to provide a higher level of funding in future then you need to make the case that the new treatments are effective.

With regard to the service costs related to clinical trials, the MRC have well defined procedures which they follow and which you might want to check that they have these in hand at the appropriate time. On broader research matters, as you know, we are taking forward the plans laid out to the Look Back expert group.

Your Si cerelv GRO-C

Paul Pudlo Department of Health