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From the Parliamentary Under Secretary of State

Rev. Prebendary Alan Tanner
Chairman
The Haemophilia Society
123 Westminster Bridge Road
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12 November 1996

Dear Rev Tanner,

Thank you for your letter of 11 October to Stephen Dorrell about provision of recombinant Factor VIII for people with haemophilia. The Secretary of State has asked me to reply.

I fully appreciate the concerns of those with haemophilia, and their relatives and friends, that everything possible should be done to avoid infection arising in any future cases as a result of the administration of blood products Since you wrote to Mr Dorrell, you will have received my letter of 25 October which outlines the Department's position with regard to the use of recombinant Factor VIII, and in particular, to the questions of safety and of cost.

The further points raised in your letter of 11 October relate first, to the decision that recombinant Factor VIII is subject to VAT, and secondly, to the views of the UK Haemophilia Centre Director's Organisation on the use of the recombinant product.

As you know, Customs and Excise ruled last year that recombinant Factor VIII products, like other recombinant pharmaceutical products, do not qualify for statutory relief from VAT because they are neither human blood nor derived from human blood. This is on the basis that the human albumin used is present as a stabiliser, not as the active ingredient. We understand that a tribunal is to consider that ruling later this month. I would suggest that if , following that hearing, you still wish to raise questions about the VAT status of the product, such matters would best be addressed direct to the Chancellor of the Exchequer.

You also mention the views of Haemophilia Centre Directors on the use of recombinant Factor VIII. I understand that, although the Directors have prepared a report on the treatment of haemophilia, the report in question has yet to be formally published. The Department has however seen two earlier drafts of the report and on the basis of those drafts it does not consider that the case for recommending the general use of recombinant Factor VIII has been made. As you

know the Department does not allocate money to support specific treatments for particular patient groups. Accordingly, as I said in my previous letter, haemophiliacs are in no different position with regard to recombinant Factor VIII than that of any other patient where alternative treatments are available. We do not believe that we should direct health authorities as to which products to use. Individual health authorities will need to consider very carefully the evidence presented in support of the recommendations in the UKHCDO document, and the case for additional expenditure on the treatment of haemophiliacs alongside other calls on their resources, bearing in mind the good safety record of products derived from human plasma.

GRO-C

JOHN HORAM