

TRANSVAGINAL MESH REMOVAL (COST REIMBURSEMENT) (SCOTLAND) BILL

FINANCIAL MEMORANDUM

INTRODUCTION

1. As required under Rule 9.3.2 of the Parliament's Standing Orders, this Financial Memorandum is published to accompany the Transvaginal Mesh Removal (Cost Reimbursement) (Scotland) Bill introduced in the Scottish Parliament on 23 June 2021.
2. The following other accompanying documents are published separately:
 - Explanatory Notes (SP Bill 3-EN);
 - a Policy Memorandum (SP Bill 3-PM);
 - a Delegated Powers Memorandum (SP Bill 3-DPM);
 - statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 3-LC).
3. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.

POLICY OBJECTIVES OF THE BILL

4. The purpose of the Bill is to give power to the Scottish Ministers to reimburse persons who have entered into arrangements privately and have paid to have transvaginal mesh removed from their body. Reimbursement will include the costs of removal surgery and also reasonable connected expenses, both for the patient and for a person who has travelled to support the person having treatment.
5. The Government considers this step reasonable because it is simultaneously taking steps to secure that, in the future, persons in the same circumstances and with the same preferences will have the option of having such comparable treatment arranged and paid for by the NHS. It seems to the Government, given the exceptional circumstances surrounding mesh, unfair and unreasonable for persons who arranged such treatment prior to that option becoming available to have had to meet the financial costs themselves.

COSTS ON THE SCOTTISH ADMINISTRATION

6. All costs associated with the Bill are expected to be borne by the Government. All costs are likely to arise in 2022-23.¹

7. It is expected, upon establishment of a scheme, that all applications will be made within one year of the scheme opening. As such, the costs associated are unlikely to run into subsequent years. This assumption is made on the basis of the small number of people who will likely be able to claim and the communications package that will surround the establishment of a scheme to raise awareness.

Costs associated with reimbursement

8. The Bill does not place any restriction on the location in which mesh removal surgery must have taken place. However, it is likely that the majority of patients opted to have treatment either in England or in the USA. As such, costs have been estimated on the basis of travel to those destinations, both for a patient travelling alone, or with a friend or relative. These costs are illustrative and it is likely that the amount reimbursed will be based on the actual costs incurred, evidenced by receipts etc. provided by applicants. The Bill makes clear that *reasonable* expenses will be reimbursed and, as such, particularly expensive travel or accommodation options are not included in cost estimates here, and are not expected to be reimbursed in full. It is expected in this situation that a reasonable estimate would be used to calculate the amount to be reimbursed.

9. Based on informal inquiries, press reports, and information from government colleagues in other countries, it is assumed that treatment costs will be in the region of £15,000 per patient.

10. It is assumed that most people will have opted to travel by air to the city in which their surgery took place. An average cost of return flights from Edinburgh/Glasgow to England (assumed London) or the USA, booked four months in advance of travel, and obtained via online cost comparison, has been used in order to estimate costs.

11. It is assumed that those seeking mesh removal will have opted to travel to and from airports, and between their accommodation and the clinic in which their procedure was carried out, by taxi. This is in recognition of the fact that, particularly post-surgery, they may have been in some discomfort and will not therefore have wished to travel, for example, by train or bus.

12. It is assumed that those seeking mesh removal arrived at the city in which their surgery took place the day prior to undergoing the procedure, had an inpatient stay of at least one night and stayed for three further nights for initial recuperation (so a 5 night stay in total). In our calculations, to account for the inpatient stay, we have accounted for an extra night of hotel accommodation for a travelling companion as well as one additional day of meals. We also account for the possibility that, in the case of travel to the USA, some patients may have stayed for seven nights after their operation, to allow for additional recovery time prior to making a lengthy journey (so a 9 night stay in total). Again, to account for the inpatient stay, we have accounted for an extra night of hotel accommodation for a travelling companion as well as one additional day of meals.

¹ Based on our assumptions on the time needed for the Bill's Parliamentary passage, together with the effect of section 4(2), it is likely that a scheme for reimbursement will not be made until the financial year 2022-23.

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If the patient travelled alone, the figures under the “travel alone” column, equate to a 4 night hotel stay and 8 night hotel stay respectively. We have assumed that accommodation was primarily in the form of hotel, in a central location, and of a reasonable though not luxury standard. Where the patient was accompanied by a relative or friend, it is assumed that they occupied a separate room. Costs are based on a booking made four months in advance of travel, and have been obtained via online cost comparison.

13. It is assumed that claimants required three meals per day, for six days (four whilst at their destination, and two days spent travelling). As is the case with accommodation we have also, however, accounted for the fact that some patients will have remained in the USA for eight nights post-operation. Whilst meals may have been included in accommodation and/or flight costs, for the purpose of this memorandum it is assumed they were not. Expenditure on meals is therefore estimated at £12 for breakfast, and £24 each for lunch and dinner. This is in line with Government subsistence rates.

14. Based on the assumptions set out above, costs per patient are estimated as follows:

	5 night stay		5 night stay		9 night stay	
	Treatment in England (£)		Treatment in the USA (£)		Treatment in the USA (£)	
	Travel alone	Travel with escort	Travel alone	Travel with escort	Travel alone	Travel with escort
Treatment	15,000	15,000	15,000	15,000	15,000	15,000
Accommodation	610	1,373	477	1,074	954	2,028
Meals	300	660	300	660	540	1,140
Flights from Edinburgh/Glasgow	178	356	2,000	4,000	2,000	4,000
Other transport	100	100	100	100	100	100
Total	16,188	17,489	17,877	20,834	18,594	22,268

15. Whilst there is no firm data, informal liaison with interested parties suggests that there are likely to be a very limited number of persons potentially eligible for reimbursement, possibly as few as 20. Assuming 20 patients successfully apply for reimbursement, based on the per-patient estimates noted above, total cost of reimbursement could be expected to be in the region of £324,000 to £445,000.

16. If, in fact, only ten persons come forward, the cost will be in the region of £162,000 to £223,000. However, if double the amount of persons we expect come forward (totalling 40 people), the costs will be in the region of £648,000 to £891,000.

17. The margins set out in the above table are hoped to deal with variations that will inevitably occur on a case-by-case basis, particularly the length of an inpatient stay. Our estimates are based on our reasonable assumptions at this point in time. The Health and Social Care Alliance will

shortly conduct a patient focus group with those affected, which will allow a better estimation to be made of the costs that have actually been incurred.

Costs associated with administration of scheme

18. The reimbursement scheme will require administration. Whilst it is expected that this will be carried out by an NHS body, for example NHS National Services Scotland, the Government will expect to bear the cost associated with this. Yearly administrative costs associated with the mesh fund², launched in July 2020, have totalled £33,100 and, on the basis that a similar form of administration is required for the reimbursement scheme, similar costs can be assumed. It is recognised that the mesh fund will have received far more applications than would be expected under the reimbursement scheme. However, it is likely that the applicant will be expected to provide more documentary evidence than was required for application to the mesh fund and in light of the larger sums of money being paid, it is expected that senior overview would be required.

19. A communications package, as referred to in paragraph 7, will raise awareness of the scheme. It is expected, given the small number of persons involved, that the costs associated with this will be minimal.

Margins of uncertainty

20. Cost estimates set out above are based on reasonable scenarios and are broadly in line with anecdotal evidence set out in correspondence received by the Government, in press reports, and in other sources. However, it is important to note that the Government does not hold official data on the numbers of people who have sought private treatment, on where they had surgery carried out, or on any other aspect of their individual circumstances. As such:

- patients may have travelled more than once, for example, where treatment was carried out in stages;
- treatment costs could vary widely from one patient to another, based on the complexity of the case in question, time spent in theatre, etc.;
- in some cases clinical circumstances may have required patients to stay at their destination for a longer period of time, thus increasing accommodation and subsistence costs;
- the requirement for, and associated length of, any in-patient stay may have had a knock-on effect on the requirement for hotel accommodation and meals, for example, the need for additional nights in hotel accommodation and meals for the travelling companion;
- whilst England and the USA appear to be the favoured destinations of patients, with both accessible at reasonable cost from Scotland, it is entirely possible that some patients may have travelled to other, more expensive, destinations;
- patients may have travelled by other forms of transport and, although cost estimates are based on travel from central Glasgow/Edinburgh, some may have travelled from much farther afield; and

² [Scottish Government Mesh Fund | National Services Scotland \(nhs.scot\)](https://www.nhs.uk/healthcarecosts/mesh-fund/)

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- flight and accommodation costs will vary considerably depending on season and on how far in advance they were booked.

COSTS ON LOCAL AUTHORITIES

21. The Bill will have no effect on local authorities.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

22. There are expected to be no effects on other public bodies or businesses. However, an individual claimant's tax status or entitlement to social security benefits may be affected. Those individuals should therefore seek independent financial advice on those matters prior to applying for reimbursement.

OVERALL EXPECTED COSTS

23. The overall expected costs, in the 2022/23 financial year are outlined below:

Costs	Financial Year: 2022/23
Reimbursement costs	£324,000 to £445,000
Administrative costs	£33,100
Total	£357,100 to £478,100

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