

SMOKING, HEALTH AND SOCIAL CARE (SCOTLAND) BILL

[AS AMENDED AT STAGE 2]

SUPPLEMENTARY FINANCIAL MEMORANDUM

INTRODUCTION

1. Following the completion of the Stage 2 Committee process, the Smoking, Health and Social Care (Scotland) Bill has been amended. The vast majority of the amendments do not make any difference to the financial impact of the provisions. However, in two sections, amendments will give rise to additional costs and these are noted below:

- payments to certain persons developing hepatitis C as a result of NHS treatment (section 24);
- authorisation of medical treatment (section 30).

PAYMENTS TO CERTAIN PERSONS INFECTED WITH HEPATITIS C AS A RESULT OF NHS TREATMENT

Introduction

2. The provisions to allow Scottish Ministers to make a scheme for payments to certain persons infected with Hepatitis C as a result of NHS treatment were amended at Stage 2. The effect of the amendment is to allow claims for ex gratia payments from dependants of people who were infected as a result of NHS treatment and died before 29 August 2003, or died after 5 July 2004 without making a claim. Claims in these categories were not permitted previously under the scheme.

3. It is estimated that 4,000 people may have been infected in Scotland with the Hepatitis C virus through NHS treatment, of whom around 1,200 may still be alive and 2,800 deceased. These figures are based on epidemiological research and were published in the report of the Lord Ross Expert Group.

Costs on the Scottish Administration

4. It is difficult to estimate what the costs of extending the scheme to cover the additional categories of claim might be. The Executive recognises that many of the deceased are people who received blood transfusions when they were already elderly or seriously ill, and may have died before they developed symptoms of Hepatitis C. Take-up from this group, however, does have the potential to add significantly to the costs of the scheme at the expense of the overall health budget.

5. The current scheme is expected to cost some £15 million. Payments are made in two stages. The first is a payment of £20,000 for those who have acquired the Hepatitis C virus. A further payment of £25,000 is for those infectees who go on to develop cirrhosis of the liver, liver cancer or require a liver transplant as a consequence of the infection.

6. If there were a take-up rate of 25% - consistent with the estimates published in the Expert Group Report - from relatives or dependants of the deceased, the costs of the scheme could more than double, with additional expenditure of some £20 million.

7. The changes to the scope of the scheme brought about by the amendments raise the risk that Scottish Ministers will no longer be able to participate in the Skipton Fund scheme and will require to establish a separate Scottish scheme. Although it is not possible at present to identify the costs associated, it is clear that the economies of scale achieved through running a single UK-wide scheme would be lost and that as a consequence there would be additional costs on the Scottish Administration.

Costs on local authorities

8. The hepatitis C provisions of the Bill have no financial implications for local authorities.

Costs on other bodies, individuals and businesses

9. An important aspect of the practical working of the UK Skipton Fund Scheme is that payments are not taken into account for the purpose of assessing social security entitlement. This is achieved through regulations which are made by the UK government specifically for this purpose – included in the Social Security (Miscellaneous Amendments) (No 2) and (No 3) Regulations 2004. Social security is a reserved function and if significant changes are made to the Skipton Fund, there is concern that the existing regulations would no longer apply. This would have the potential to significantly disadvantage all claimants and there is no guarantee that new regulations could be made to apply to Scotland only.

10. It is not possible to identify the potential costs to individuals if the social security waiver no longer applied as this would be dependent on an individuals circumstances.

AUTHORISATION OF MEDICAL TREATMENT

Introduction

11. The provisions for authorisation of medical treatment for adults with incapacity were amended at the Stage 2 Committee process of the Bill. The amendments added a requirement for the categories of healthcare professional who would be allowed to issue a certificate to satisfy requirements as may be prescribed. The intention is that these healthcare professionals will be required to undergo relevant training before they can issue certificates.

Costs on the Scottish Administration

12. The Scottish Executive has already provided additional funding to NHS Education Scotland of approximately £30,000 for the development of a suitable training programme for healthcare professionals. There are no further financial implications for the Scottish Administration.

Costs on local authorities

13. The authorisation of medical treatment provisions of the Bill have no financial implications for local authorities.

Costs on other bodies, individuals and businesses

NHS Education Scotland

14. NHS Education Scotland (NES) will develop a suitable training programme that healthcare professionals will be able to access through their continuing and professional development. NES will require to work with the agencies responsible for the training of health professionals to develop a suitable programme. The initial development costs of approximately £30,000 have already been provided by the Executive. There are no further financial implications for NES.

Healthcare Professionals

15. The delivery of the training of individual healthcare professionals will fall largely on the bodies responsible for professional education. It is expected that uptake of the training will be done as part of the professionals' continuing and professional development which is a mandatory requirement and that there will consequently be no additional cost to them. It is possible that the cost for attending the course will be in the order of £120 per person.

This document relates to the Smoking, Health and Social Care (Scotland) Bill as amended at Stage 2 (SP Bill 33A)

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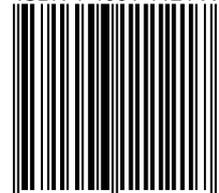
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