

copy to Press Office
National Health

PRIME MINISTER

I attach a note from DHSS about the Dulwich kidney transplants issue which has been publicised this week.

The most immediately important piece of information is that the Surgeon concerned, (Mr. Bewick), and Dr. Vaughan confirmed at a joint press conference that no patient for whom a kidney was available would die for want of the operation. But this has been achieved only by bringing some voluntary money in.

This may be one more example of a spending authority choosing a highly dramatic example of where financial restraint can hit services to the public. The Annex to the note highlights the special factors in the case, notably that Mr. Bewick performs his operations at this particular hospital at more than twice the national average cost of these transplants, because he uses a very expensive immuno-suppressive drug. It appears that he does not use this in other transplants which he carries out at Guy's.

Handwritten initials

4 January 1980



DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Secretary of State for Social Services

M Pattison Esq
Private Secretary
10 Downing Street
London SW1

3 January 1980

Dear Mike,

I attach as promised a note about the kidney unit at Dulwich Hospital; it has been cleared by the Minister for Health, Dr Vaughan, who saw a deputation today. If there is any more information you need please let me know.

Yours ever
Don

D BRERETON
Private Secretary

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KIDNEY TRANSPLANTS IN THE KINGS HEALTH DISTRICT
NOTE FOR NO.10

Action by Commissioners for Lambeth, Southwark and Lewisham Health Area

1. By the end of November 1979 it had become clear that the King's Hospital Kidney Unit (at East Dulwich) had overspent by £221,000 a transplantation budget agreed in March 1979 at £207,000: the threatened full-year over spending was £400,000. Shortly before Christmas, the Commissioners for Lambeth, Southwark and Lewisham Health Area informed the Consultant Surgeon in charge, Mr Bewick that he must stop transplant operations immediately (except for a small number of patients to whom he was committed) until 31 March 1980, by which time the position for 1980/81 will have been reviewed (Background information in Annex).

Secretary of State's December letter to Chairman of Commissioners

2. Mr Jenkin wrote to the Chairman of the Commissioners on 27 December saying that he fully appreciated the dilemma of the Commissioners in reaching their decision. Whilst he naturally regretted the need for curtailment in a field in which further development was being sought, financial considerations must determine the level at which increased activity could be allowed to take place and he accepted the Commissioners' judgement.

Deputation on 3 January

3. Dr Vaughan received a small deputation led by Mr Bewick this morning (3 January). (Mr Bones, Chairman of the Kidney Patients' Association and two patients were also present.) Minister explained that health authorities had no choice but to try and work within the money available. He supported the action of the Commissioners, and Mr Bewick accepted the general need for the Commissioners to contain expenditure within the Area. With the deputation and in discussion with Mr Bewick afterwards it emerged that there were possibilities for obtaining alternative funds for a short time, and for examining some of the costs involved in the treatment. Mr Bewick also undertook to look for any possible waste within his unit.

Will patients die?

4. After seeing the deputation, Dr Vaughan and Mr Bewick held a joint press conference. Dr Vaughan said that he and Mr Bewick had discussed the risks for patients and Mr Bewick confirmed that no patient for whom a kidney was available would die for want of the operation.

Further action

5. Dr Vaughan is to see Mrs Ward, President of the British Kidney Patient Association next Monday 7 January. Mr Bewick is also following up points that arose in discussion and he and Dr Vaughan are to meet on Friday 11 January.

Continuing need for kidney donors

6. The problems at Mr Bewick's Unit do not affect the need to increase the supply of kidneys for transplantation. More are needed to allow both an overall increase in the number of transplantations and better matching of kidneys and patients.

7. In December, when announcing Lord Smith's guidelines for organ transplantation, Dr Vaughan said that the Government was going to do all it could to encourage the donation of kidneys. A new kidney card is to be introduced. Dr Vaughan is having meetings with the voluntary groups concerned, and with some of the surgeons.

8. Kidney transplants are considerably cheaper than dialysis and when satisfactory result in a better life for the patient.

DHSS

3 January 1980

KIDNEY TRANSPLANTS IN THE KING'S HEALTH DISTRICT

Appointment of Commissioners

1. The East Dulwich Kidney Transplant Unit is in the Lambeth, Southwark and Lewisham Health Area. The Area Health Authority overspent its allocation last year by £4 millions. In spite of an increased allocation this year the Authority continued to overspend. Secretary of State for Social Services decided action must be taken to bring the Area's expenditure under control and at the beginning of August 1979 issued a Direction transferring the powers and functions of the Area Health Authority to five Commissioners.

The agreed budget for the King's Kidney Unit

2. The Commissioners asked all four Health Districts in the Area to agree with the consultants in all specialties to hold activity during 1979/80 at the 1977/78 level or lower if possible. In the case of the King's Unit a budget of £207,000 based on 1977/78 activity levels, was agreed with Mr Bewick, the consultant surgeon, for the financial year 1979/80.

3. This budget would have allowed for about 50 transplant operations, based on the national average cost of £4000. However the average cost of transplants carried out by Mr Bewick at the King's unit is in the region of £8,750, mainly because he uses a very expensive immuno-suppressive drug 'Pressumune', which he claims gives a better graft survival rate. Statistical comparisons are, however, complicated by various factors, including the number of high-risk cases accepted; Mr Bewick claims to accept a high proportion.

Mr Bewick's work at King's

4. In the first six months of the year, ie. by mid-October, Mr Bewick had undertaken 28 transplants (22 with Pressumune) and had already overspent his budget by £42,000. He did not reduce his activities and six weeks later, ie. by the end of November, had carried out a further 21

transplants (49 in total), and had overspent his budget by £221,000. The Commissioners estimated that if he continued with transplant operations at the same rate, he would by the end of the financial year have undertaken 70 transplants with a total overspending of £400,000.

Mr Bewick's work at Guy's

5. Mr Bewick also carries out transplants at Guy's Hospital, although we understand that he does not use Pressumune there. It is not, as far as we know, proposed to stop his transplant operations there.

Impact on other services

6. Other services within the Lambeth, Southwark and Lewisham Area are under pressure and are having difficulty in keeping within their agreed budget. It is not possible for the overspending on transplants at King's to be offset by savings elsewhere within the Area's renal services. It could, therefore, only be met by further reductions in other services, particularly those which are specifically provided for the local population.

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National Health
1. August 1979

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STATEMENT BY THE RT HON PATRICK JENKIN, SECRETARY OF STATE FOR SOCIAL SERVICES
LAMBETH, SOUTHWARK AND LEWISHAM AHA(T)

The Government, like its predecessors, requires health authorities to keep their spending within the limits of the money that has been made available to them. I know that this is no easy task at present, but the Government is entitled to expect that the appointed health authorities will manage responsibly the affairs entrusted to them.

The majority of the Lambeth, Southwark and Lewisham Area Health Authority (Teaching) showed by their votes at Monday's meeting that they were not prepared to respect the normal financial disciplines accepted by other health authorities in the country. By a majority, the Authority specifically rejected recommendations from a Planning Group, made up of some of its members, in order to enable Districts in the Area to manage their services without exceeding their spending limits.

There has been a history of over-spending by this Authority - last year they exceeded their limits by £4 million. The decisions reached by the Authority on Monday, in effect, to continue to over-spend this year mean that the money will run out before the end of the financial year, leaving the Authority unable to pay salaries and wages, unable to pay their bills as they fall due, and therefore unable to maintain services to patients. This would do incalculable harm both to patients and to staff.

Faced with such an emergency, I have no option but to invoke the powers given me by Section 86 of the National Health Service Act 1977. I have, this morning, issued a Direction under the Act, the effect of which is to remove from the members of the Area Health Authority all the powers and functions now exercised by them. I intend that these powers will in future be exercised by Commissioners whom I will appoint; as an interim measure I have directed that these powers and functions be exercised forthwith by the South East Thames Regional Health Authority.

I greatly regret that a majority of members of the Lambeth, Southwark and Lewisham AHA(T) should have decided to abdicate their responsibilities. I do not, for one moment, accept that their action is justified, nor do I accept their claim that massive cuts in patient services would be necessary to contain spending. Some reductions will have to be made, but I am convinced that considerable savings can be achieved without serious impact on patient care.

It will be the job, first, of the Regional Health Authority and, later, of the Commissioners whom I intend to appoint, so to manage the affairs of the Authority that its spending over the financial year as a whole is brought within the limits which have been laid down for it.

