

## National Blood Authority - Accountability for Blood and Blood Products in NSW

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**Summary** Funding arrangements and procurement of blood and blood products.

**Author Branch** Clinical Policy

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**Applies to** Area Health Services/Chief Executive Governed Statutory Health Corporation, Board Governed Statutory Health Corporations, Affiliated Health Organisations, Divisions of General Practice, NSW Ambulance Service, NSW Dept of Health, Public Hospitals

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**Director-General**

**Compliance with this policy directive is mandatory.**

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**CIRCULAR**

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**NATIONAL BLOOD AUTHORITY – ACCOUNTABILITY FOR  
BLOOD AND BLOOD PRODUCTS IN NSW**

This Circular supersedes Circular Number 2000/26.

**COMMENCEMENT OF THE NATIONAL BLOOD AUTHORITY (NBA)**

The report: "A Review of the Australian Blood and Plasma Product Sector" issued in 2001 recommended the strengthening of current arrangements in the blood sector, including the establishment of a National Blood Authority.

An Inter Government Agreement has now been signed by Health Ministers of all States, Territories and the Commonwealth Government to participate in the National Blood Authority, which commenced operating from 1 July 2003. NSW Health has established a Committee structure as detailed at Appendix 1 to co-ordinate activities for the Department and NBA.

The National Blood Authority will work with all key stakeholders in the blood sector to:

- Ensure a safe, secure, adequate and affordable supply of blood and blood products for all Australians.
- Provide national management of the Australian blood sector on behalf of all Australian governments.
- Improve purchasing and supply and production planning and the health system's ability to deal with the introduction of new products and services.
- Collect better data and undertake research to support policy development and operations within the sector through transparent evidence based processes.

Distributed in accordance with circular list(s):

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In accordance with the provisions incorporated in the Accounts and Audit Determination, the Board of Directors, Chief Executive Officers and their equivalents, within a public health organisation, shall be held responsible for ensuring the observance of Departmental policy (including circulars and procedure manuals) as issued by the Minister and the Director-General of the Department of Health.

The establishment of the NBA will result in significant changes in the manner in which blood and blood products are managed and funded.

The NBA is responsible for purchasing, contracting and supply of blood and blood products whether from the Australian Red Cross Blood Service (ARCBS) or other private sector product providers (which include pharmaceutical companies).

The emphasis for management, product mix and usage will remain with State/Territory jurisdictions. This will result in a continuing need to monitor usage and related financial risk involving: -

- Increased/decreased product use.
- Variations in overall product mix/cost
- Development and introduction of clinical guidelines.
- Monitoring and management of clinical use.
- Monitoring of clinical outcomes.
- Monitoring and management of deliveries, and any stock holdings.
- Funding arrangements with Area Health Services, hospitals and clinical departments.
- Ensuring adequate quality controls are in place.

A standard product and price list will be provided which will allow clinicians and hospital administrators to recognise the financial implications of using blood and blood products.

### **National Funding Arrangements**

With effect from 1 July, 2003, the NBA pays the ARCBS and all other blood and blood product providers for the current volume and mix (based upon estimated 2002/03 usage) of blood and blood products at contracted prices.

The NBA receives its funding from the Commonwealth and States/Territories based upon current blood and blood product expenditures of all Governments.

If a State or Territory increases/reduces its aggregate expenditure (after allowing for volume/mix movements and the associated impact on cost) it will either contribute more or pay less than its current contribution.

To ensure the ARCBS is treated in a similar manner to “for-profit” organisations, from 1 July, 2003 funding to the ARCBS includes a capital component for the ARCBS to use in connection with asset acquisition, replacement and repair.

## **NSW HEALTH ARRANGEMENTS**

NSW Health will pay in advance its proportion of the total national cost to the NBA on a quarterly basis. The ARCBS will continue full responsibility for processing orders it receives from Areas and Hospitals and will provide State/Territory Governments with regular usage reports.

For 2003/04 the cost of blood and blood products estimated to be consumed by NSW hospitals will be approximately \$140 million.

### **Procurement of Blood and Blood Products by Health Services/Hospitals**

The National Blood Authority (NBA) has contracted with the ARCBS and other providers on a national basis to deliver the contracted product volumes to each State/Territory user at a national cost per unit. All orders are to be placed by Hospitals/Areas direct to the ARCBS, consistent with current practice irrespective of who is the supplier except for those products listed under High Cost Blood Products on Page 4 of this Circular.

The NBA has a contract with the ARCBS to distribute all products and to be the common ordering point for State Health Authorities.

This approach does not vary current practice.

### **NSW Health Internal Funding Arrangements**

Data is being collected on usage by public and private hospitals of blood and blood products for 2002/03.

This will be the baseline that will be extended by contracted prices to give an aggregate financial total for each health service.

The aggregate total for each health service for public hospital usage will then be included in each health service budget, but no cash will be provided.

For 2003/04 the NBA is expected to provide quarterly data that the Department intends to circulate to each service to enable a comparison to baseline data. At the same time a journal will be processed by Finance Branch to bring to account against the budget the quarterly value of blood and blood products consumed.

The 4<sup>th</sup> quarter (i.e., April to June 2004) will, for end of financial year purposes be an extension of the first 3 quarters actual and be interim with adjustment in 2004/05 when the actual result is known.

Whilst 2002/03 will be the base year, it has been determined that 2003/04 will be shadowed up to 50% of risk/benefit (i.e., any variation from budget will be shared equally 50% between the Department and the Area).

In 2004/05 health services will bear 100% of any risk/benefit.

## **Pricing Schedules**

The NBA has not forwarded a pricing schedule but this is expected in the near future. The pricing schedule is expected to have around 25 items.

It is understood prices are national and include all freight costs across Australia.

## **Clinical Product List**

A list of 57 items is included as Appendix 2 to this circular. The list will assist the NBA in providing information on how different clinical practice in the blood and blood product area will influence the volume, type of collection and overall costs of blood products.

## **Diagnostic Products**

For 2003/04 the current policy of the free provision of diagnostic products from CSC will continue. As from 1 July 2004 diagnostic services and products may be an expenditure item and no longer be provided free of charge. Advice will be provided when a decision is made.

## **Services Outside the NBA Financial Arrangements**

- **ARCBS Specific Services**

As detailed in Circular 2000/26 NSW Health directly contracts with ARCBS-NSW for the provision of agreed Non Core Services such as Transplantation Services including tissue typing, organ donation and other specified services. Some of these services will be on a user pays basis (Appendix 3 is the current schedule of charges by the ARCBS-NSW for these services). Circular 2000/26 is now withdrawn as it is incorporated in this Circular.

- **High Cost Patients (i.e., Costs over \$125,000 per annum)**

The NBA will manage a reserve component within the total national budget to cover individual treatment costs for a small group of high cost patients whose individual annual treatment cost may exceed \$125,000. This will ensure that Area budgets will not be distorted if any of these individuals choose to move from one Area or State to another. Health services will be responsible for the first \$125,000 and the NBA will fund costs over that threshold from the NBA reserve

- **High Cost Blood Products**

These products have been traditionally purchased by health services from core budgets, such budgets outside of that now devolved.

Any costs referred by the NBA for consumption of these products will be charged over and above the devolved budget and Areas will need to review the Clinical Product List to identify scope for reductions in consumption of traditional health service procurement items.

These products are:

- Recombinant Factor VIIa
- AHF Porcine Factor VII
- Factor VIII Inhibitor Bypassing Agents
- Factor VII concentrate
- Factor XI
- Factor XIII concentrate
- Protein C

## **Governance of Blood and Blood Products in NSW**

Each health care facility that has transfusion therapy must establish a process for the review of transfusion issues. This may be through an existing committee or through the establishment of a specific committee such as a hospital transfusion committee. The committee must be responsible for education (including training for transfusion verification procedure), monitoring and quality improvement in the care of blood and transfusion practices.

Circular 2002/92 refers to clinical management of blood and blood components and the accompanying guidelines: "Guideline for the Management of Fresh Blood Components" sets out the mandatory requirements for all health care facilities providing transfusion therapy.

### **AREA CHECK LIST**

The introduction of the NBA and the reforms promulgated in the Circular will require a change by all health services in how blood and blood products are managed.

To complement the practice in Circular 2002/92 health services are to ensure that the hospital transfusion committee of the Area liaises with the Area Director of Finance or senior financial delegate to:

- Align receipt and usage of blood to financial budgets.
- Devolve financial budgets to hospitals and relevant clinical centres.
- Establish effective monitoring systems to highlight usage, product mix and variations to targets (such monitoring information to be provided well before quarterly advice is received from Department).
- Establish appropriate risk/incentive measures for budget holders to operate within.
- Establish effective controls over the supply of any blood/blood products inside/outside of the health service (e.g., between budget holders (i.e., two different hospitals), between areas).

### **Private Hospitals/Sector**

Discussions are occurring as to how the new arrangements will apply to the private sector, including private hospitals. All health services are to ensure that the supply of any blood/blood products to the private sector is documented and accounted.

## **Education/Training**

The Department will conduct a number of seminars at selected locations to explain all new arrangements, including those associated with Governance if required by health services. These will be arranged separately by the NSW Blood Products Advisory Committee.

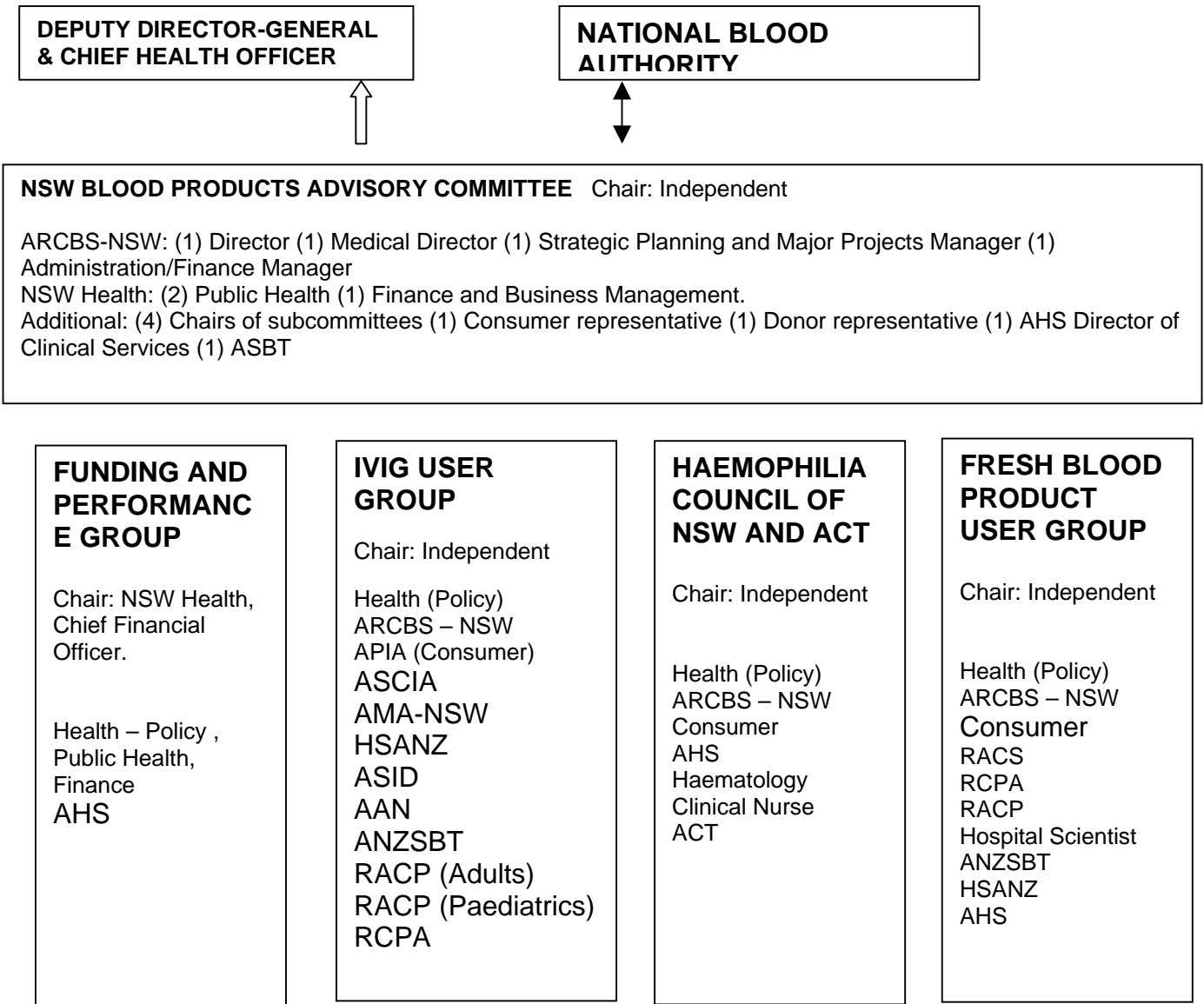
Further enquiries should be directed to the following people:

- Financial                      Ken Barker (02 9391 9178)  
   David Sims (02 9391 9673)
- Technical Issues              Bill Heiler (02 9391 9459)  
   Alan Langley (02 9391 9450)

Robyn Kruk  
**Director-General**

# APPENDIX 1

## Committee and Reporting Structure for National Blood Authority



## APPENDIX 2 – CORE SERVICES

### ANNUAL CLINICAL SUPPLY LIST of NATIONAL ARCBS

<b>1</b>	<b>Whole Blood Products</b>	<b>8♦</b>	<b>Plasma for Fractionation for Class 3 Approved Health Provider (to be provided and aggregated in kilograms).</b>
1a	Whole blood	8a♦	Whole blood derived fresh frozen plasma std.
1b♣	Whole blood – leucodepleted	8b♦	Whole blood derived fresh frozen plasma – buffy coat poor
<b>2</b>	<b>Red Cell Products</b>	<b>8c♦</b>	<b>Apheresis plasma – fresh frozen plasma</b>
2a	Whole blood derived red cell	8d♦	Whole blood recovered plasma – standard
2b♣	Whole blood derived red cell leucodepleted	8e♦	Whole blood recovered plasma buffy coat poor
2c	Whole blood derived buffy coat poor red cell	8f♦	Apheresis plasma – recovered
2d♣	Paediatric red cell – leucodepl (Set of 4)	8g♦	Whole blood derived cryo-depleted plasma
2e	Washed red cell	8h♦	Apheresis cryo-depleted plasma
2f♣	Washed red cell – leucodepleted	<b>9</b>	<b>Fractionated Products</b>
2g♣	Apheresis red cells – leucodepleted	9a	Albumex 4% - 500mL
<b>3</b>	<b>Platelet Products</b>	9b	Albumex 4% - 50mL
3a	Whole blood derived platelet	9c	Albumex 20% - 100mL
3b♣	Whole blood derived platelet – leucodepleted (Pool of 5)	9d	Albumex 20% - 10mL
3c	Whole blood derived buffy coat poor platelet (Pool of 4)	9e	Intragam P – 200mL (12g)
3d♣	Apheresis platelet – leucodepleted (2x10 <sup>11</sup> ) Volume >100 MI	9f	Intragam P - 50mL (3g)
3e♣	Paediatric apheresis platelet – leucodepleted (Set of 4)	9g	Biostate – 250IU
<b>4</b>	<b>Clinical Fresh Frozen Plasma Products</b>	9h	Biostate – 500IU
4a	Whole blood derived clinical fresh frozen plasma – standard	9i	Tetanus Immunoglobulin - 250IU
4b	Whole blood derived clinical fresh frozen plasma – buffy coat poor	9j	Tetanus Immunoglobulin - 4000IU
4c	Paediatric clinical fresh frozen plasma (Set of 4)	9k	Zoster Immunoglobulin – 200IU
4d	Apheresis plasma	9l	CMV Immunoglobulin – 1.5 x 10 <sup>6</sup> IUs/vial
<b>5</b>	<b>Cryoprecipitate Products</b>	9m	Hepatitis B Immunoglobulin - 400IU
5a	Whole blood derived cryoprecipitate	9n	Hepatitis B Immunoglobulin - 100IU
5b	Apheresis cryoprecipitate	9o	Normal Immunoglobulin – 160mg/ml x 5mL
<b>6</b>	<b>Cryo-depleted Plasma Products</b>	9p	Normal Immunoglobulin – 160mg/ml x 2mL
6a	Whole blood derived cryodepl. plasma	9q	Rh D Immunoglobulin – 625IU
6b	Apheresis cryo-depleted plasma	9r	Rh D Immunoglobulin – 250IU
<b>7</b>	<b>Other Products</b>	9s	Prothrombinex HT – 20ml
7a	Autologous Products from blood, Anti Rh D, rare blood group /red cell phenotype pts and bone marrow donors	9t	MonoFIX – 500IUs
7b	Directed Products including whole blood red cells comply with AHMAC Guide.	9u	Thrombotrol VF – 1000Ius
7c	Therapeutic Venesections for whole blood for discard		
7d	Serum Eye Drops		
7e	Granulocytes		
7f	Apheresis platelet –(3x10 <sup>11</sup> )		

♣ Identifies product items that are not available in NSW.

♦ Identifies product that is not applicable for ordering purposes.

## APPENDIX 3 - NON CORE SERVICES

Samples of blood products for research and other non transfusion purposes are routinely requested by numerous institutions within the NSW Health system. It is accepted that the demand for such samples places a significant burden on ARCBS-NSW and is administratively costly. A schedule of fees is contained in table 3.2. It is intended that the cost of these items will be met by hospitals/Area Health Services from within existing budgets. Patients are not to be charged directly for these services.

### 3.1 Cost Schedule for Provision of Non-Clinical Use Samples

ITEM	Approximate VOLUME	FEE \$ (exclude GST)
Service fee per consignment		\$65.00
Blood sample in tube	2 – 10ml	\$3.50
Whole Blood	400ml	\$82.47
Buffy Coat	60ml	\$31.60
Red Blood Cells	300ml	\$38.97
Fresh Frozen Plasma	280ml	\$50.00
Platelets	Pooled-300ml Conc-60ml	\$176.92 \$31.60
Serum	150ml	\$50.00
Price does not include collection tubes		
<b>Components supplied are 'Not Suitable for Transfusion' and are subject to availability</b>		
10% GST applies to each consignment		

### 3.2 Schedule of Charges for Platelet and Granulyte Immunology Laboratory

ARCBS-NSW has been providing specialized platelet and granulocyte tests and products, free of charge, for NSW. Platelet serology services provided by the ARCBS-NSW will be delivered on a fee for service basis.

<b>TEST DESCRIPTION</b>	<b>CHARGE (exclude GST)</b>
Preliminary screen for HLA antibodies	\$ 95.00
Identification of platelet specific antibodies	\$300.00
Identification of granulocyte specific antibodies	\$300.00
Identification of crossmatch compatible platelets for patients refractory to platelet transfusion	\$100.00
Genotyping of amniocytes to identify foetuses "at risk" for NAIT*	\$250.00
Genotyping of the parents of thrombocytopenic babies to identify platelet antigen incompatibilities to aid in the management of future pregnancies	\$250.00
Phenotyping/genotyping of suspected PTP patients	\$250.00
Genotyping of cord blood to identify foetuses "at risk" for NAIT*	\$250.00

### **3.3 CHARGEABLE SERVICES**

#### **Autologous Blood Collections**

A Commonwealth review into autologous blood transfusion has concluded that an autologous service cannot be justified either on clinical or cost/benefit grounds. ARCBS-NSW has previously provided this service historically on a limited basis and will continue to recover the cost through charges levied directly on the donor of autologous blood at the rate of \$200 per unit collected. This will not be funded through the NBA.

#### **Directed Donations**

Directed Donations arise when a particular patient requests blood from another specified individual, usually a friend or relative. This process is not regarded as optimal practice in most circumstances. A charge of \$250 per unit collected is to be levied on the proposed recipient prior to the Directed Donation. It should be noted that this does not confer on a patient an entitlement to receive Directed Donations. Directed Donations will only be collected within the guidelines and protocol developed by the ARCBS nationally to ensure optimal clinical practice is not compromised.

### **3.4 COMMUNICATION**

This information needs to be communicated to all appropriate clinicians and scientific staff within your service. Departments or laboratories requesting samples or platelet serology services are to be advised in respect of the above without delay. It is important that prospective patients

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\* Neonatal Alloimmune Thrombocytopenia

inquiring about Autologous or Directed services for impending surgery be advised in relation to the fees that will now apply.

### **3.5 Accounting**

Payments for platelet serology services and research samples should be treated in accordance with normal creditor payment systems. Hospitals are entitled to claim a credit for any payment of GST provided they are registered for GST.

### **3.6 Review**

NSW Health Department will continue to review this charging system on an annual basis using a framework agreed to between ARCBS-NSW and NSW Health.

### **3.7 Contact Persons for Non Core Services**

Contact in relation to this circular should be with:

ARCBS-NSW

General/Policy matters      Mr. Mark Newton.                      (02) 9229 4409

Clinical/scientific matters      Dr. Peta Dennington.                      (02) 9229 4578

Financial matters                      Ms. Sarah Farrell.                      (02) 9229 4045