

Department of Legislative Services
2013 Session

FISCAL AND POLICY NOTE

House Bill 826 (Delegate Hixson, *et al.*)
Health and Government Operations

Maryland Health Care Commission - Personalized Medicine - Study

This bill requires the Maryland Health Care Commission (MHCC) to create a stakeholder workgroup to study issues related to the implementation of personalized medicine in the State. In conducting the study, the stakeholder workgroup must review federal reports and recommendations related to personalized medicine, analyze the impact of the federal Genetic Information Nondiscrimination Act on the State’s regulation of personalized medicine, and identify and make recommendations to reduce obstacles to advance the implementation of personalized medicine in the State. The commission must report its findings and recommendations to specified committees by December 30, 2013.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: No effect in FY 2013. Special fund expenditures increase by as much as \$100,000 in FY 2014 only to contract with a private entity to conduct the study and write the required report. MHCC can oversee the contractor and assist the stakeholder workgroup within existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State law does not specifically address personalized medicine.

Background: Personalized medicine refers to the tailoring of medical treatment to the individual characteristics of each patient to classify individuals into subpopulations that differ in their susceptibility to a particular disease or their response to a specific treatment. Preventative or therapeutic interventions can then be concentrated on those who will benefit, sparing expense and side effects for those who will not. According to the Personalized Medical Coalition, this approach can help explain why one drug works for one patient but not another, and it could improve health outcomes and make health care more cost effective.

Legislation addressing personalized medicine has been introduced at the federal level, including the Genomics and Personalized Medicine Act of 2010 (H.R. 5440). The federal legislation is intended to accelerate genomics research and initiatives to improve the accuracy of disease diagnosis, increase the safety of drugs, and identify novel treatments by, among other things, establishing an Office of Personalized Healthcare, providing grants for research in genomics and personalized medicine, establishing a national biobank, and establishing the Committee on the Evaluation of Genomic Applications in Practice and Prevention.

State Fiscal Effect: MHCC advises that the complexity of research involved in the implementation of personalized medicine, including genetic information and relatively new laws and regulations in the field, combined with the short timeframe given for the completion of the report, make contractual services necessary to implement the bill. Therefore, special fund expenditures increase by as much as \$100,000 to pay one contractor to conduct the required research, disseminate it to stakeholder workgroup members, and write the report required under the bill. MHCC can oversee the contractor and assist in stakeholder workgroup coordination with existing staff and resources.

Additional Comments: The Department of Legislative Services notes that the bill does not terminate the stakeholder workgroup with the report on December 30, 2013. However, it is assumed that the workgroup does not meet beyond that date since the bill does not include any additional responsibilities.

Additional Information

Prior Introductions: A substantially similar bill, HB 445 of 2009, was heard by the House Health and Government Operations Committee but was later withdrawn.

Cross File: None.

Information Source(s): Personalized Medical Coalition, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2013
mlm/ljm

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