

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 920 (Delegate Finifter, *et al.*)
 Environmental Matters

Genetic Information Privacy Act

This bill prohibits an employer from discriminating against an individual in any manner because of the individual’s genetic information, or because the individual has refused to disclose the results of or submit to a genetic test.

Except for specified circumstances, a person may not obtain, retain, or disclose the genetic information of another person without first obtaining informed consent or authorization from the person in interest. Persons violating these provisions are guilty of a misdemeanor and subject to a maximum fine of \$1,000, maximum imprisonment of six months, or both. Persons who willfully disclose genetic information are guilty of a misdemeanor and subject to a maximum fine of \$5,000, maximum imprisonment of one year, or both; and is liable for actual damages.

Genetic information may not be requested, required, or used to determine the rates, premium payments, or dividends of a life, health, disability, credit life or disability insurance contract or annuity contract. It also may not be used to deny or affect the terms and conditions for issue or renewal of a life, disability, credit life or disability insurance contract or annuity contract.

Fiscal Summary

State Effect: General fund expenditures would increase by at least, \$39,200 in FY 1998, which reflects the October 1, 1997 effective date and one-time costs. Future year expenditures reflect annualization and inflation. General fund revenues could increase by a potential minimal amount due to the bill’s penalty provisions.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	---	---	---	---	---
GF Expenditures	\$39,200	\$32,500	\$33,600	\$34,800	\$35,900
Net Effect	(\$39,200)	(\$32,500)	(\$33,600)	(\$34,800)	(\$35,900)

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

Local Effect: Indeterminate increase in revenues and expenditures due to the bill's penalty provisions.

Small Business Effect: Minimal. This bill prohibits employers from discriminating against employees based on genetic information or the refusal to submit to a genetic test. This is not expected to materially impact small businesses.

Fiscal Analysis

Bill Summary: The bill provides that an individual's genetic information is the property of the individual.

A person who performs a genetic test or receives records of a genetic test must provide the individual on whom the test was performed notification that the test was performed or information resulting from the test was received. The notice must state that the genetic information will not be disclosed to any individual without the informed written consent of the individual on whom the test was performed. This notification and disclosure, however, does not apply to newborn screening that is required by State or federal law.

State Revenues: General fund revenues could increase under the bill's monetary penalty provisions for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

Since current law prohibits the use of genetic information or the requirement of a genetic test by health insurers, this bill would have no effect on revenues collected from the State's health insurance premium tax.

State Expenditures: The Office of Heredity Disorders currently provides goodwill medical screening for newborns. These screenings are provided with the informed consent of the child's parents. These consent forms are included in the child's medical files at the hospital. Because existing State law does not require newborn screening, and there are no federal requirements for newborn screening, as a result of this bill, the Office of Heredity Disorders would have to provide additional notification and disclosure information to the newborn's parents in order to perform newborn medical screening. There are approximately 75,000 babies born in Maryland each year. In addition, the Office of Heredity Disorders would have to maintain the consent forms.

General fund expenditures could increase by an estimated \$39,177 in fiscal 1998, which reflects the bill's October 1, 1997 effective date. This estimate accounts for the cost of hiring

one Secretary to administer and maintain the consent release forms. It includes a salary, fringe benefits, and ongoing operating expenses. The estimate also includes a one-time consultant cost for a Health Educator to develop new disclosure and consent forms.

Salaries and Fringe Benefits	\$19,489
Consultant and Operating Expenses	<u>19,688</u>
Total FY 1998 State Expenditures	\$39,177

Future year expenditures reflect (1) a full salary with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

In addition, general fund expenditures could increase as a result of the bill's incarceration penalties due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of their per diem rate after a person has served 90 days. State per diem reimbursements for fiscal 1998 are estimated to range from \$12 to \$42 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility, with an average monthly cost estimated at \$1,500 for fiscal 1998. [The Baltimore City Detention Center (BCDC), a State operated facility, is used primarily for pretrial detentions. The per diem cost for BCDC in fiscal 1998 is estimated at \$43 per inmate.]

Local Revenues: Revenues could increase under the bill's monetary penalty provisions for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

Local Expenditures: Expenditures could increase as a result of the bill's incarceration penalties depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$23 to \$83 per inmate in fiscal 1998.

Information Source(s): Human Relations Commission; Department of Health and Mental Hygiene (Community and Public Health Administration, Laboratories Administration); Insurance Administration; Department of Fiscal Services

Fiscal Note History: First Reader - February 28, 1997

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