

**Department of Legislative Services**

Maryland General Assembly

2004 Session

**FISCAL AND POLICY NOTE**

House Bill 1311

(Delegate Rosenberg)

Health and Government Operations and Appropriations

---

**Cigarette Restitution Fund – Statewide Academic Health Center Grants –  
Clarifications**

---

This bill clarifies that the Department of Health and Mental Hygiene (DHMH) may distribute a Statewide Academic Health Center Cancer Research Grant to the University of Maryland Medical System Corporation, the University of Maryland Medical School, and the University of Maryland, Baltimore. It clarifies that DHMH may distribute a Statewide Academic Health Center Tobacco-Related Diseases Research Grant to the University of Maryland Medical School. It also clarifies that DHMH may distribute a Statewide Academic Health Center Network Grant to the University of Maryland Medical School. The bill requires each institution receiving a Statewide Academic Health Center Grant to submit a final annual report to DHMH. The report must: (1) describe the specific measurable outcomes and public benefits resulting from the grant expenditure; and (2) be submitted in writing to DHMH within 45 days of the end of the fiscal year covered by any grant. It also specifies that the University of Maryland Medical School must submit such a report at the same required time if it receives a Tobacco-Related Diseases Research Grant or a Statewide Academic Health Center Network Grant.

The bill takes effect July 1, 2004.

---

**Fiscal Summary**

**State Effect:** None. The change is procedural in nature and would not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

---

## **Analysis**

**Current Law:** DHMH may distribute Statewide Academic Health Center Cancer Research Grants to the University of Maryland Medical Group and the Johns Hopkins Institutions for enhancing cancer research activities that may lead to a cure for a targeted cancer and increasing the rate at which cancer research activities are translated into treatment protocols.

DHMH may distribute a Statewide Academic Health Center Tobacco-Related Diseases Research Grant to the University of Maryland Medical Group to enhance research activities that may lead to a reduction in morbidity and mortality rates for tobacco-related diseases in the State. Before receiving a grant, the University of Maryland Medical System must: (1) submit a Tobacco-Related Diseases Research Plan; and (2) enter into a memorandum of understanding with DHMH, the Department of Business and Economic Development, and the Maryland Technology Development Corporation.

DHMH may not distribute a Tobacco-Related Diseases Research Grant until it first determines that: (1) the Tobacco-Related Diseases Research Plan will help achieve the State's public health goals; (2) the University of Maryland Medical Group will not use any part of the grant to supplant funding for existing education, screening, treatment, and research activities relating to tobacco-related diseases or any other type of current expenditure at the institution; (3) the grant will be used for research in specified areas; (4) the institution executed a required memorandum of understanding; and (5) the institution satisfies any other DHMH requirement.

DHMH may distribute a Statewide Academic Health Center Network Grant to the University of Maryland Medical Group to establish a statewide network to support prevention, education, screening, treatment, and research programs relating to targeted cancers and tobacco-related diseases. DHMH may not distribute this grant until after the Baseline Cancer Study is completed. Before completing the study, DHMH may use money allocated to the Statewide Academic Health Center Component in the State budget to fund the development of an infrastructure for the network.

**Background:** In response to the 1998 tobacco settlement agreement, Chapters 172 and 173 of 1999 created the Cigarette Restitution Fund (CRF) for settlement payments. All payments received by the State related to the tobacco settlement are to be placed into this nonlapsing fund. Monies in the fund can only be spent through appropriations in the

annual State budget, and a minimum of \$100 million, or 90% of the funds available, must be appropriated.

Chapter 18 of 2000 created the Cancer Prevention, Education, Screening, and Treatment Program within DHMH. This program is funded with CRF funds. The program distributes Statewide Academic Health Center Cancer Research Grants to the University of Maryland Medical Group and the Johns Hopkins Institutions for the purpose of enhancing cancer research activities. Major community hospitals across the State serve as part of the Community Health Coalition and assist DHMH with identifying all existing cancer prevention, education, screening, and treatment programs in the State, evaluating their effectiveness, and developing a comprehensive plan for cancer prevention, education, screening, and treatment.

The fiscal 2005 budget allowance for academic health centers from CRF funds is \$1,990,000 for University of Maryland – Heart and Lung; \$2,409,000 for Johns Hopkins Institutions; and \$10,950,000 for the University of Maryland Medical Group.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2004  
mamjr

---

Analysis by: Lisa A. Daigle

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510