

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 332

(Senator Jacobs, *et al.*)

Finance

Health and Government Operations

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**Hospitals - Umbilical Cord Blood - Donation**

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This bill requires hospitals to allow pregnant patients to arrange for the donation of the umbilical cord blood from their newborn child to a certified public cord blood bank, unless it is medically inadvisable. A patient who agrees to donate cord blood may not be charged for the costs of collecting, storing, or transporting the blood. A hospital is not required to collect cord blood if doing so would threaten the health of the mother or child. A hospital or hospital employee may not be required to collect cord blood if collecting cord blood conflicts with bona fide religious practices and beliefs of the hospital or hospital employee. The bill does not require a hospital to arrange for cord blood donations.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** None applicable.

**Background:** As of January 2004, there are 70 hospitals licensed in Maryland to which this bill would apply.

The National Marrow Donor Program (NMDP) reports that researchers are studying umbilical cord blood as a source of blood stem cells that can be used to treat life-threatening diseases through stem cell transplants. NMDP reports that 75% of the stem cell transplants it facilitates are for patients with leukemia. Stem cells are also found in human bone marrow or blood, as well as umbilical cord blood. Umbilical cord blood is desirable for use in a stem cell transplant because it has large numbers of blood stem cells. NMDP cord blood banks collect, process, test, and store donated umbilical cord blood. Blood from each umbilical cord is frozen and made available for transplant. If the blood cannot be used for transplant, the cord blood stem cells may be used for research. Public umbilical cord blood banks pay for the processing and storing costs of the donated blood.

Any woman who is at least 18 years old (16 in some communities), is in good health, and lives in a community where donation is available may be eligible to donate her child's umbilical cord blood. The woman should contact a cord blood bank by her thirty-fourth week of pregnancy. The cord blood bank requires a woman interested in donating cord blood to complete a consent form, provide a complete maternal and family health history form, and give a blood sample for infectious disease testing.

According to NMDP, the Inova Fairfax Hospital in Fairfax, Virginia collects cord blood as part of the Placental Blood Program of the New York Blood Center. This cord blood bank is not part of the NMDP network and does not list its cord blood units on NMDP's registry.

An Illinois law which took effect in January 2004 requires all licensed hospitals to offer a pregnant patient the option to donate umbilical cord blood from their newborn child to a publicly accessible certified cord blood bank. An analysis of the Illinois legislation before the bill was enacted by the Illinois Department of Public Aid estimated that state expenditures could decrease if the law encouraged Medicaid recipients who received bone marrow transplants to instead receive cord blood transplants. In Illinois, there were 92 stem cell transplants covered by Medicaid in 2002. That year, Medicaid reimbursed \$94,401 for a bone marrow transplant and \$59,447 for a cord blood transplant, for a difference of \$34,954. If all of the Medicaid bone marrow transplant patients instead received cord blood transplants, the total potential savings to Illinois would be \$3,215,800 in 2002.

How much Medicaid reimburses for particular procedures varies by state. The Department of Health and Mental Hygiene could not provide data on Medicaid reimbursement for these procedures in Maryland at the time of publication.

**Fiscal Effect:** If this bill leads to less costly leukemia treatment procedures there could be health care savings to the State in future years.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 398 (Delegate Amedori, *et al.*) – Health and Government Operations.

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

**Fiscal Note History:** First Reader - February 17, 2004  
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