

Department of Legislative Services
 Maryland General Assembly
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FISCAL AND POLICY NOTE
Revised

Senate Bill 197
 Finance

(Senator Jacobs, *et al.*)

Health and Government Operations

**Department of Health and Mental Hygiene - Umbilical Cord Blood Donation -
 Educational Materials**

This bill requires the Department of Health and Mental Hygiene, in consultation with obstetricians, the Maryland Hospital Association, and interested groups, to develop umbilical cord blood donation educational materials. Each obstetrician and hospital that provides obstetrical services must distribute the educational materials to pregnant patients.

Fiscal Summary

State Effect: General fund expenditures could increase by \$47,100 in FY 2007 to develop, design, print, and distribute an eight-page educational pamphlet (150,000 pamphlets would be distributed annually). Future years reflect printing, distribution, and inflation. No effect on revenues.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	47,100	19,500	19,600	19,800	20,000
Net Effect	(\$47,100)	(\$19,500)	(\$19,600)	(\$19,800)	(\$20,000)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapters 450 and 451 of 2004 require 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. A hospital is not required to arrange for cord blood donations.

Background: As of January 2004, there are 34 hospitals licensed in Maryland that provide obstetric services and 926 obstetricians to which this bill would apply. There were 74,500 live births to Maryland residents in 2004, the most recent year data was available.

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.

After consulting with its members, the Maryland Hospital Association (MHA) estimates that between 3% and 5% of expecting mothers in Maryland choose to donate their baby's umbilical cord blood. These mothers have already made arrangements to donate the cord blood prior to arriving at the hospital to give birth. MHA advises that expectant mothers should discuss whether to make an umbilical cord blood donation with their doctors well before delivery so they can receive information on the procedure and make an informed decision.

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.

President George W. Bush signed H.R. 2520 (P.L. 109-129) into law December 20, 2005 that requires the federal Secretary of Health and Human Services to enter into one-time contracts with qualified cord blood banks to assist in collecting and maintaining 150,000 new units of high-quality cord blood for transplantation and peer-reviewed research. The law authorizes the appropriation of \$15 million for each federal fiscal year 2007 through 2010 for these purposes. The law also requires that any amounts appropriated to the Secretary for federal fiscal years 2004 and 2005 for assisting in the collection and maintenance of cord blood must remain available to the Secretary until the end of federal fiscal year 2007.

State Expenditures: General fund expenditures could increase by an estimated \$47,060 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects one-time costs of \$25,000 to hire a consultant to develop and design an eight-page educational pamphlet and \$2,800 to translate the pamphlet into Spanish, \$13,500 to print 150,000 copies of the pamphlet, and \$5,760 to ship copies of the pamphlet to 34 birthing hospitals and 926 obstetricians.

Future year expenditures reflect: (1) continued printing and shipping of 150,000 pamphlets annually; and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: SB 332 of 2004, and its cross file HB 398, were both enacted into law as Chapters 450 and 451, respectively.

Cross File: None.

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

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Analysis by: Lisa A. Daigle

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