

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 445 (Delegate Hixson, *et al.*)
 Health and Government Operations

Maryland Health Care Commission - Personalized Medicine - Study

This bill requires the Maryland Health Care Commission to create a stakeholder workgroup to study issues related to the implementation of personalized medicine in the State. In conducting the study, the commission has to 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, 2009.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: General fund expenditures increase by \$80,000 in FY 2010 to contract with a private entity to conduct the study and write the report required by the bill. The Department of Health and Mental Hygiene (DHMH) can oversee the contractor and assist the stakeholder workgroup within existing budgeted resources. The estimate reflects contractual costs ending with the submission of the report on December 30, 2009. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	80,000	0	0	0	0
Net Effect	(\$80,000)	\$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 is based on the concept that disease prevention and treatment work better in the context of a person's genetic and environmental profile. Disease management is based on many factors, such as eating habits, stress, environmental exposure, and genetics. According to the Personalized Medical Coalition, this approach can help explain why one drug works for one patient but not another, and could improve health outcomes and make health care more cost-effective.

Legislation addressing personalized medicine has been introduced at the federal level. Specifically, legislation introduced in recent years in both the U.S. House of Representatives and Senate would establish a working group to coordinate genetic research activities among federal agencies; establish a national bio-banking database; establish a grant program for academic medical centers to develop and expand bio-banking initiative; and attempt to improve genetics and genomics training.

The Maryland Health Care Commission develops and carries out new health policies including developing a database on all nonhospital health care services; developing the comprehensive standard health benefit plan for small employers; monitoring the fiscal impact of State-mandated benefits; developing quality and performance measures for health maintenance organizations; developing quality and performance measures for hospitals, ambulatory care facilities, and nursing homes; overseeing electronic claims clearinghouses; directing and administering State health planning functions to produce the State Health Plan for Facilities and Services; and conducting the Certificate of Need Program for regulated entities.

State Fiscal Effect: DHMH 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, general fund expenditures increase by \$80,000 to pay one contractor to conduct the required research, disseminate it to commission members, and write the report required under the bill. DHMH advises that contractual costs are based on similar projects that have been contracted out by the department in the past. DHMH can oversee the contractor and assist in stakeholder workgroup coordination with existing staff and resources.

Additional Comments: Legislative Services notes that the bill does not terminate the workgroup with the report on December 30, 2009. However, it is assumed that the workgroup does not meet beyond that date since the bill does not include any responsibilities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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mlm/mwc

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