

SUBJECT: Creating an umbilical cord blood bank for unrelated donor blood

COMMITTEE: Public Health — committee substitute recommended

VOTE: 9 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Longoria, Maxey, Uresti, Wohlgemuth
0 nays

WITNESSES: For — Apryl Hampton; Delson Hampton; Jackelyn Myers; Olga Benavides; Piper Huckelbury; Mary Beth Fisk; Craig Rosenfeld, Texas Oncology Group; Joel Weinthal; Norman Kalmin, South Texas Blood and Tissue Center; Myra Crownover; *Registered but did not testify:* Sam Stone, Texas Independent Blood Centers; Kelly Headrick, American Cancer Society; Elizabeth Ames Jones

Against — None

On — Sharilyn Stanley, Texas Department of Health

BACKGROUND: Cord blood is the blood that remains in the placenta and umbilical cord after a baby is born. This blood contains stem cells, undifferentiated cells that can develop into any type of tissue. These cells can be extracted at the time of birth, frozen, then stored for future use.

Government Code, ch. 783, the Uniform Grant and Contract Management Act of 1981, sets forth standards for uniform assurances and audit coordination for state grants and contracts.

DIGEST: CSHB 3572 would direct the Health and Human Services Commission (HHSC) to establish a grant program for an umbilical cord blood bank for unrelated donors. The grant program would provide start-up money and would be subject to availability of funds.

In awarding the grants, HHSC would consider the ability of an applicant to establish and operate a blood bank and to provide related services as

evidenced by past experience and the applicant's commitment to continue the blood bank after the grants have expired.

The grant would be provided under contract in which the recipient would agree to operate an umbilical cord blood bank for unrelated donors for at least eight years after the award of the grant, restrict collection to live births, and comply with any financial or reporting requirements imposed by HHSC.

The grants in this bill would be governed by the Government Code, ch. 783. HHSC would be directed to adopt rules to implement this bill by January 1, 2001. This bill would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 3572 would create the only umbilical cord blood bank for unrelated donor blood in the central Southwest United States. This would increase the availability of cord blood in Texas and the surrounding states and help provide possibly life-saving transplants to residents of the area.

Umbilical cord blood can provide access to a life-saving therapy for certain diseases. Researchers have conducted clinical trials using cord blood cells versus bone marrow in certain types of leukemia, lymphoma, Hodgkin's Disease, among others. The studies showed that cord blood cells do not need as specific tissue-type matching as bone marrow, and the rejection of these cells is less severe. Research also suggests that cord blood is less dependent upon an ethnic match than bone marrow.

Because it often is difficult to find a close enough match for bone marrow transplants, cord blood cells from unrelated donors could increase greatly the accessibility of treatment for individuals with some life-threatening diseases. Also, bone marrow donors must undergo general anesthesia and a painful extraction process, whereas umbilical cord blood is extracted from discarded tissue. The availability of cord blood is likely to surpass bone marrow, providing greater accessibility to treatment for patients.

A cord bank in Texas would be an asset to the state's biotechnology industry. The cells contained in umbilical cord blood are the focus of investigation for use in other diseases such as breast cancer, brain tumors, or melanoma. Cord blood cells can be differentiated to become different types of tissue, which has potential applications in the treatment of AIDS,

cardiovascular disease, diabetes and other major human diseases. The availability of cells in an unrelated donor bank would be an asset to future biotechnology research in Texas.

The cord bank established with these grants would be restricted to the types of cord blood it could collect. Umbilical cord blood only would be collected from live births. This would ensure that the state would not provide funding for collection from other procedures it would not necessarily support.

There is at least one facility that could take advantage of these grants. The South Texas Blood and Tissue Center in San Antonio already is an accredited cord blood bank. This nonprofit blood center has 27 years of experience in blood and tissue banking. The grants would not go unawarded for lack of suitable recipients.

Grant funding to establish a health program is not a new concept. The start-up costs associated with many public health projects often are high because of the technology associated with them. The state often stimulates the development of health projects that are in the public's interest through grant funding.

The grant program would be subject to availability of funds. If the grant program were funded in the fiscal 2002-03 biennium, the cord blood bank could be established and the state would not be committed to ongoing funding. The grant recipient would be required to continue the cord blood bank for eight years following the award of the grant.

**OPPONENTS
SAY:**

CSHB 3572 would fund the interests of a private entity. The state would provide start-up funds but would not retain any rights to the commercial value of the cord blood bank. The cord blood bank should raise the money privately or the state should retain some of the commercial value of the blood bank.

The use of cord blood as a treatment for disease is in the early stages. Not enough clinical trials have been conducted to verify the safety and efficacy of cord blood cells in certain therapies. The state should not be investing in the collection and storage of cord blood for its therapeutic value until that

value has been rigorously investigated.

The undifferentiated cells in umbilical cord blood could be used for research that the state may not wish to support. These cells can be differentiated into types of tissue, possibly including organ-specific tissue. The grant program would specify under what circumstances the cord blood could be collected, but not how it could be used.

One of the benefits of umbilical cord blood is that it can be frozen and shipped. There is a cord blood bank at the University of Arizona. If an individual in Texas needed cord blood cells for a treatment, they could easily be shipped from Arizona or from other areas of the country.

These grants would cost a significant amount of money and would be completely state funded. The fiscal note attached to this bill estimates \$6.4 million for fiscal 2002-03. There should be a provision for a private match as a condition of the grant. That way, the state would provide \$3.2 million over two years, and the grant recipient would have to have established strong community support for the project.

The grant program would be subject to available funds that Texas does not have. The House included a contingency rider for funding for this bill in Article 11, the wish list for CSSB 1. If it were funded, it likely would be through tobacco settlement funds, although there are many high-priority items competing for this funding stream. The Senate version of CSSB 1 also included funding for this program in the wish list.

OTHER
OPPONENTS
SAY:

Texas should consider establishing a cord blood bank at one of the state's universities. The state would retain commercial rights to the bank, and the tissue would be readily available for academic research. If the bank were attached to one of the state's teaching hospitals, both medical and biotechnology research would benefit.

NOTES:

The committee substitute added the requirement that cord blood be collected only from live births.