

# HOUSE BILL REPORT

## SHB 2431

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### As Passed Legislature

**Title:** An act relating to cord blood banking.

**Brief Description:** Regarding cord blood banking.

**Sponsors:** By House Committee on Health Care & Wellness (originally sponsored by Representatives Morris, Hudgins, Santos and Chase).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 1/28/08, 1/30/08 [DPS].

**Floor Activity:**

Passed House: 2/12/08, 95-0.

Passed Senate: 3/6/08, 48-0.

Passed Legislature.

### Brief Summary of Substitute Bill

- Requires objective and standardized information to be given to pregnant patients about the potential benefits and risks of public and private cord blood banking.
- Requires a private cord blood bank to inform consumers about its cord blood bank accreditation and its success rate in storing viable cord blood, to inform the cord blood donor about the results of quality control tests on the collected cord blood, and to give the cord blood donor the option, under certain test results, not to be charged fees.
- Makes a violation of the provisions applicable to private cord blood banks a violation of the Consumer Protection Act.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass.  
Signed by 11 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Minority Member; Alexander, Assistant Ranking Minority Member; Barlow, Condotta, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

**Staff:** Chris Cordes (786-7103).

## **Background:**

### Cord Blood Banking

Cord blood banks, both public and private, store placental and umbilical cord blood that is collected from newborns. Public banks accept cord blood donations, store the cord blood anonymously without charge, and make it available to any patient that needs it. Private banks store the donor's collected cord blood for a fee, and the stored blood is intended for future use by the donor or donor's family.

A 2005 Institute of Medicine (IOM) report on cord blood banking discusses the potential for using stem cells in regenerative medicine. This potential exists because stem cells are unspecialized cells that are capable of dividing and replicating indefinitely and of giving rise to specialized cells, such as heart muscle cells, nerve cells, blood cells, and other cell types.

One type of stem cell, the hematopoietic progenitor cell (HPC), is responsible for the continuous production of several types of normal blood cells. The HPCs have been used in transplants to treat leukemia, lymphoma, aplastic anemia, sickle cell anemia, and certain inherited immunity disorders. The HPCs are obtained from various sources, including bone marrow and umbilical cord blood. They have been used as an alternative to bone marrow for many treatments. According to the IOM report, HPCs obtained from cord blood have a lower risk of a poor immune response to transplantation than HPCs obtained from bone marrow. In addition, the IOM report states that cord blood is readily available, has a low-risk for transmitting infectious disease, and involves minimal risk to the mother or the infant at collection.

The 2005 IOM report recommended the creation of a nationwide cord blood stem cell bank program. The U. S. Congress, in late 2005, adopted the C.W. Bill Young Transplantation Program, under which the U. S. Department of Health and Human Services regulates cord blood banks, including recognizing entities for the accreditation of cord blood banks, providing standards for the operation of cord blood banks, and establishing a public donor system for cord blood.

Washington law requires persons providing prenatal care or practicing medicine to provide certain information to their pregnant patients about prenatal tests. This information must be provided within time limits and according to standards established by the Department of Health.

### The Consumer Protection Act

Under the state's Consumer Protection Act (CPA), certain activities have been designated by the Legislature as unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce. Various remedies for violations of the CPA are provided,

including authorization for the Attorney General to seek restraining orders. A person who is injured by a violation of the CPA may recover treble damages, costs, and reasonable attorneys' fees.

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### **Summary of Substitute Bill:**

#### Legislative Purpose

The stated legislative purpose is to promote education of the public on the benefits of cord blood banking and to establish safeguards related to effective private cord blood banking.

#### Information for Patients

The information that must be provided to pregnant patients is expanded. Health care providers of prenatal care must provide objective and standardized information to pregnant patients about the differences between and the potential benefits and risks of public or private cord blood banking. This information must be sufficient to allow a pregnant woman to make a decision before her third trimester of pregnancy about whether to participate in a cord blood banking program. The information must also discuss the opportunity to donate to a public cord blood bank.

#### Private Cord Blood Banks

Private cord blood banks offering services in Washington must have all applicable state and federal accreditations or other authorizations to engage in cord blood banking in Washington. These cord blood banks must:

- include information in advertising or educational materials about the bank's accreditations and its success rate in storing sterile, viable cord blood; and
- provide the donor the results of quality control tests on the stored cord blood and, if the test results demonstrate that the cord blood may not be recommended for long-term storage, give the cord blood donor the option, with sufficient information for an informed decision, not to be charged fees.

Violation of these provisions applying to private cord blood banks is a violation of the Consumer Protection Act.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 23, 2008.

**Effective Date:** The bill takes effect on July 1, 2010.

#### **Staff Summary of Public Testimony:**

(In support) Private cord blood banking should be supported and expanded, but the directed donation program is different from public banking. It has lagged behind in gaining

accreditations. There needs to be assurance that the cord blood collected is worth keeping. It is important to make mothers aware of all options for donating cord blood.

(In support with amendments) Education is needed on cord blood donation options so that families understand their options. Amendments should help ensure that information is fair and balanced and that families make informed decisions. The information should be given before the third trimester. Nine states have enacted such laws.

(Opposed) None.

**Persons Testifying:** (In support) Jo-Anna Reems, Puget Sound Blood Center.

(In support with amendments) Ann Langer and Paul Billings, Cord Blood Registry.

**Persons Signed In To Testify But Not Testifying:** None.