

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 691 (Delegate Pena-Melnyk, *et al.*)
 Health and Government Operations

Organ and Tissue Donation Awareness Fund - Donor Registry - Annual Funding

This bill requires that at least \$400,000 be distributed annually from the Organ and Tissue Donation Awareness Fund to the nonprofit entity selected by the Secretary of Health to establish, maintain, and operate a donor registry. The bill also makes technical and clarifying changes.

Fiscal Summary

State Effect: Special fund expenditures increase by \$51,700 in FY 2019. The Governor’s proposed FY 2019 budget includes \$348,320 to support donor registration activities. Special fund expenditures increase by *at least* \$20,000 annually beginning in FY 2020, as discussed below. Revenues are not affected. **This bill establishes a mandated distribution beginning in FY 2019.**

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	51,700	-	-	-	-
Net Effect	(\$51,700)	(-)	(-)	(-)	(-)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Secretary of Health must contract with a qualified nonprofit entity for the establishment, maintenance, and operation of a donor registry. “Qualified nonprofit

entity” means a nonprofit procurement organization that actively functions in a supporting relationship to one or more procurement organizations if the procurement organization or other entity has a board of directors whose members are experienced in (1) organ, tissue, and eye donation; (2) working with donors and donor families; and (3) educating the public about the importance of the process of organ, tissue, and eye donation.

The Secretary of Health must use funds from the Organ and Tissue Donation Awareness Fund, or any other funds as may be appropriate, to *compensate* the nonprofit entity for the reasonable cost of establishing, maintaining, and operating the donor registry, including the reasonable cost of public education programs to increase public awareness about the existence and purpose of the registry and organ, tissue, and eye donation.

Background: Donate Life Maryland (DLMD) is the nonprofit organization selected by the Secretary of Health to establish, maintain, and operate the donor registry in the State. DLMD was established in 2007 by the Living Legacy Foundation of Maryland, the Medical Eye Bank of Maryland, and Washington Regional Transplant Community.

The Organ and Tissue Donation Awareness Fund consists of donations, primarily collected when individuals apply for or renew their driver’s licenses or learner’s permits.

Organ Donations

In 2017, 360 organs were donated in Maryland, of which 144 were from living donors and 216 were from deceased individuals. Despite the advances in organ transplant medicine and increased awareness, the organ donor waiting list has grown over time both in the United States and Maryland. About 6 in 10 Maryland candidates have been on the waiting list for more than two years.

State Expenditures: The Maryland Department of Health (MDH) advises that the current contract with DLMD authorizes DLMD to *bill* MDH for expenditures related to the donor registry. The current contract limits the annual reimbursement to \$380,000 per year to maintain and operate the registry and to conduct public education programs. MDH further advises that DLMD has consistently billed MDH less than the \$380,000 limit each year. The Governor’s proposed fiscal 2019 budget includes \$348,320 to support DLMD activities.

As of July 1, 2017, the Organ and Tissue Donation Awareness Fund contained \$1,369,465. Projected revenues for fiscal 2017, based on actual contributions received from the Motor Vehicle Administration, were \$216,432.

As a result of the bill’s mandated distribution, special fund expenditures increase by \$51,680 in fiscal 2019 over the amount included in the Governor’s proposed fiscal 2019

budget. In subsequent years, special fund expenditures increase by at least \$20,000 over the current \$380,000 per year limit set in contract. To the extent that expenditures exceed revenues and deplete the special fund, additional general fund expenditures may be required to capitalize the special fund to meet the bill's requirement.

Additional Comments: While the bill requires \$400,000 to be distributed annually, the bill does not require DLMD to spend that amount. As DLMD has consistently billed MDH less than \$380,000 per year, the bill may result in unnecessary distributions, requiring DLMD to retain and account for unused funds.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Health; Donate Life Maryland; U.S. Department of Health and Human Services Organ Procurement and Transplantation Network; Department of Legislative Services

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nb/jc

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