Virginia Cord Blood Bank Initiative Update

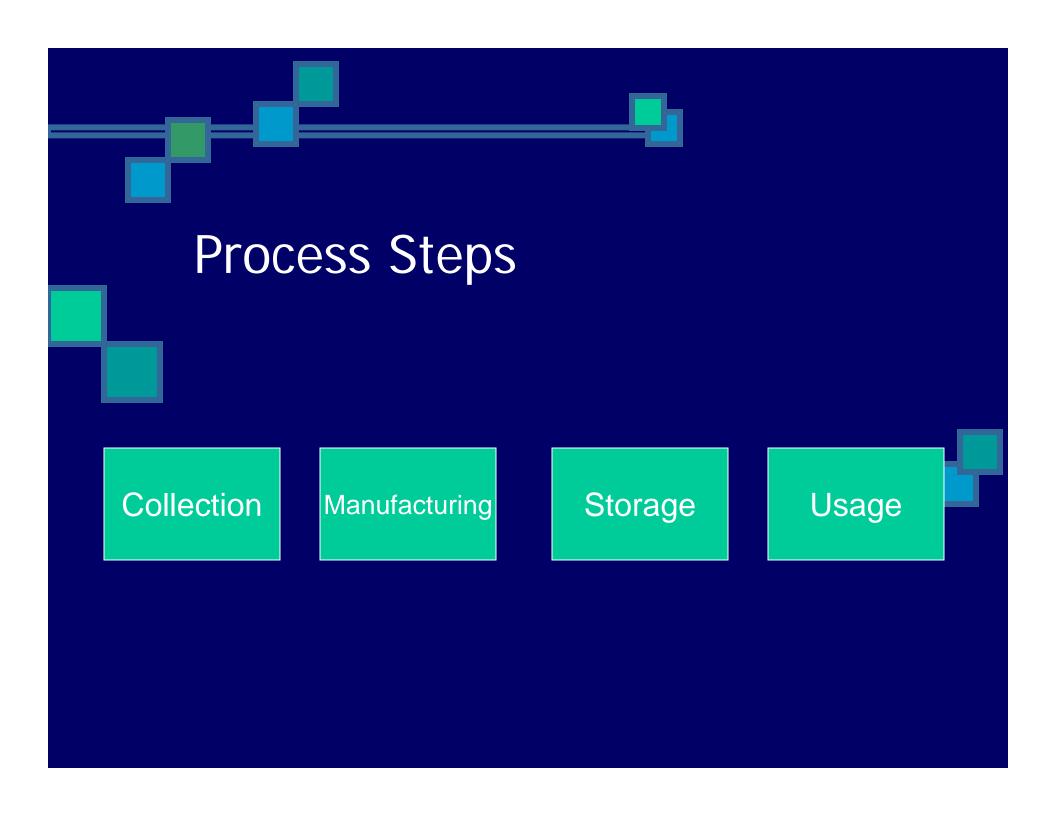
October 17, 2006

Virginia Cord Blood Bank Initiative

"...a public resource for Virginians for the treatment of patients with lifethreatening diseases or debilitating conditions, for use in advancing basic and clinical research, and, in the event of a terrorist attack, to be used in the treatment of the injured citizens of the Commonwealth."

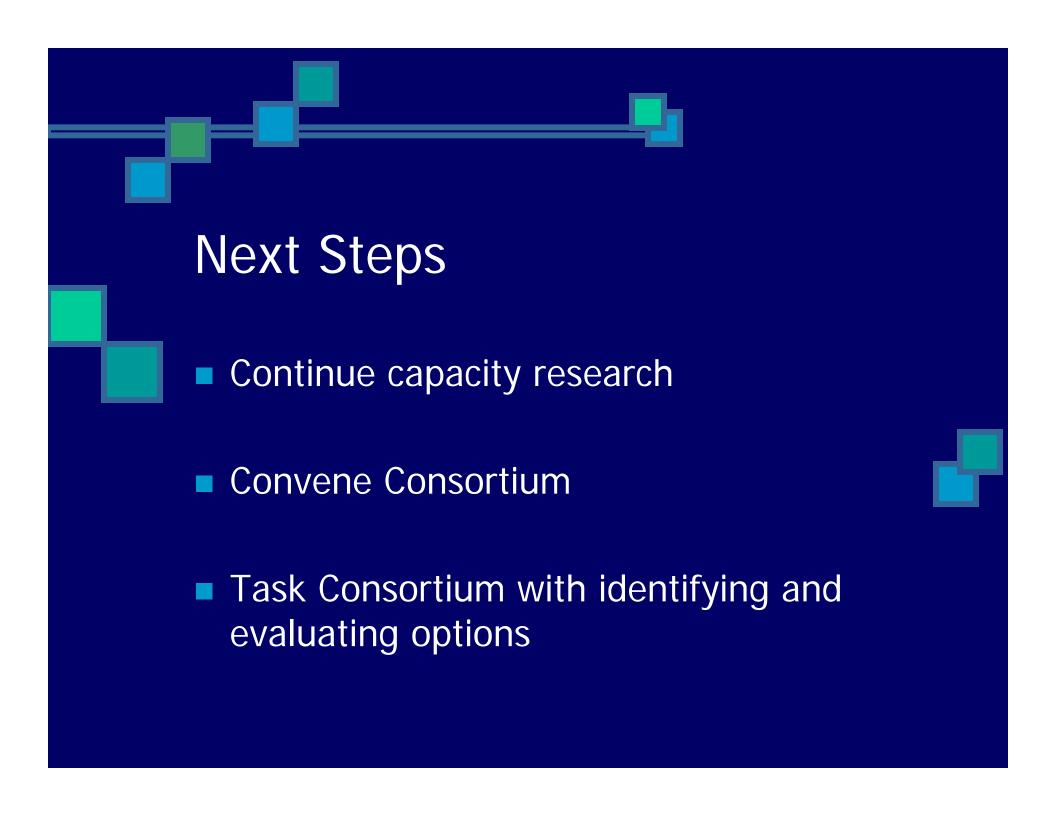
The "Initiative" First Steps

- Met with representatives of the Virginia Hospital and Healthcare Association and Virginia Blood Service.
 - Discussed accreditation and state capacity
 - Discussed feasibility and constraints within existing appropriation
- Researched the Maryland Stem Cell Research Act of 2006



Constraints

- Undefined capacity exists within academic medical centers and some large hospitals;
- Federal regulations and accreditation processes are onerous;
- Requires specialized, highly trained staffing; and
- Existing blood banks don't maintain the type of storage capacity needed.



Capacity Research

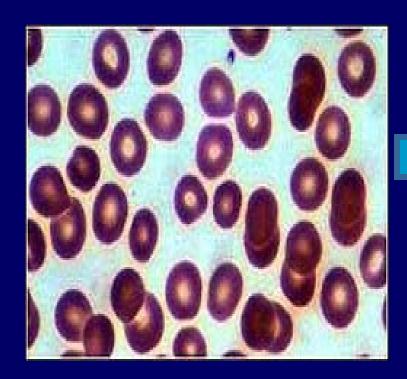
- Identify all hospital based programs and their possibilities of expansion;
- Further determine appropriate accreditation standards for all steps of the process; and
- Identify reimbursement mechanisms for the usage of stem cells.

Convene Consortium

- Commissioner issues invitation letters to organizations as defined in code;
- Additional Consortium members to include representatives from public and private payors; and
- Solicit membership from other interested parties.

Possible "Initiative" Options

- Expand current capacities;
- Partner with out-ofstate entities;
- Create new capacity within the Commonwealth; and
- Outsource entire Initiative.



The "Initiative" Work Plan

- \$200,000 allocated in SFY 07 & 08.
- November 06, contract for a subject matter expert project manager.
- November 06, convene a statewide consortium to include reimbursement and emergency preparedness areas.
- Establish and task consortium subcommittees.

