# FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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BILL #: CS/CS/HB 1617 COMPANION BILL: CS/CS/SB 1768 (Trumbull)

TITLE: Stem Cell Therapy
SPONSOR(S): Buchanan
LINKED BILLS: None
RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 112 Y's 0 N's GOVERNOR'S ACTION: Approved

### **SUMMARY**

### **Effect of the Bill:**

The bill authorizes allopathic and osteopathic physicians to perform stem cell therapies that have not been approved by the United States Food and Drug Administration (FDA) relating to orthopedics, wound care, and pain management. The bill establishes the type of stem cells that may be used and the type of facilities from which a physician may obtain stem cells. The bill requires physicians to provide notice and informed consent to patients receiving non-FDA approved therapies and provides discipline for violations.

The bill criminalizes stem cell therapy treatment or research using human cells or tissues derived from a fetus or an embryo after an abortion. The bill also criminalizes the sale, manufacture, or distribution of computer products created using human cells, tissues, or cellular or tissue-based products. The bill makes these offenses third-degree felonies. The bill also authorizes licensure discipline for these actions.

# **Fiscal or Economic Impact:**

The bill has a negative, indeterminate fiscal impact on the Department of Health (DOH) for enforcement, which DOH can absorb within existing resources. To the extent physicians profit from providing certain stem cell therapies, the bill has a positive, economic impact on the private sector.

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### **ANALYSIS**

#### EFFECT OF THE BILL:

CS/CS/HB 1617 passed as <u>CS/CS/1768</u>. (Please note that bill section parentheticals do not contain hyperlinks to bill sections for Senate bills).

### **Stem Cell Therapy**

Current Florida law neither authorizes nor prohibits certain stem cell therapies relating to orthopedics, wound care, and pain management. The United States Food and Drug Administration (FDA) regulates stem cell therapies.

#### **Authorized Activities**

The bill authorizes <u>allopathic</u> and <u>osteopathic physicians</u> to perform stem cell therapies for orthopedics, wound care, and pain management that have not been approved by the FDA. The bill establishes standards for physicians who perform an authorized <u>stem cell therapy</u>. Specifically, the bill requires these physicians to use only afterbirth placental perinatal stem cells or <u>human cells</u>, <u>tissues</u>, <u>or cellular or tissue-based products</u> (HCT/Ps) which are retrieved from, manufactured in, and stored in facilities:

- Regulated by and registered with the FDA;
- Certified or accredited by the National Marrow Donor Program, World Marrow Donor Association, Association for the Advancement of Blood and Biotherapies, or American Association of Tissue Banks; and

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• Which adhere to the applicable federal <u>current good manufacturing practices</u><sup>1</sup> for the collection, removal, processing, implantation, and transfer of stem cells or products containing stem cells.

The bill also requires such <u>stem cells</u> to contain viable or live cells in the product lot and post-thaw viability analysis report sent by an authorized facility. (Sections 1 and 2).

In a contract or other agreement for the acquisition of stem cells from an authorized facility, a physician must include terms that require the facility to disclose to the physician:

- The name and address of the facility.
- The certifying or accrediting organization.
- The type and scope of certification or accreditation.
- The effective and expiration dates of the certification or accreditation.
- Any limitations or conditions imposed by the certifying or accrediting organization. (Sections 1 and 2).

The bill also requires a physician to include contractual terms that require the facility to notify the physician within 30 days of any change to the facility's certification or accreditation status (i.e., renewal, suspension, revocation, or expiration). (Sections 1 and 2).

According to the Department of Health (DOH), the bill's provisions authorizing physicians to perform non-FDA approved stem cell therapies may subject a physician who performs these therapies and stem cell suppliers to regulatory action by the FDA. The FDA has issued warnings about the widespread marketing of unapproved regenerative medicine products, noting that approval is granted only after rigorous evaluation in clinical trials to ensure safety and efficacy.<sup>2</sup>

Human Cells, Tissues, or Cellular or Tissue-based Products

Under the bill, HCT/Ps are articles containing or consisting of human cells or tissues which are intended for implantation, transplantation, infusion, or transfer into a human recipient. (Sections  $\underline{1}$  and  $\underline{2}$ ).

The bill expressly excludes eight classes of articles from the HCT/Ps authorized for use under the bill:

- Vascularized human organs for transplantation;
- Whole blood, blood components, or blood derivative products regulated by the Florida Drug and Cosmetic Act;<sup>3</sup>
- Secreted or extracted human products, such as milk, collagen, and cell factors. However, the bill includes semen as a state recognized class of HCT/Ps;
- Minimally manipulated<sup>4</sup> bone marrow for homologous use and not combined with another article, except for with water, crystalloids, or a sterilizing, preserving, or storage agent, if the addition of the agent does not raise new clinical safety concerns with respect to the bone marrow;
- Ancillary products used in the manufacture of HCT/Ps;
- Cells, tissues, and organs derived from animals other than humans;
- In vitro diagnostic products; and
- Blood vessels recovered with an organ which are intended for use in organ transplantation and labeled, "for use in organ transplantation only".

<sup>&</sup>lt;sup>1</sup> See 21 U.S.C. § 301, et. seq.; 21 C.F.R. Part 1271.

<sup>&</sup>lt;sup>2</sup> U.S. Food & Drug Administration, Important Patient and Consumer Information About Regenerative Medicine Therapies, (Jun. 3, 2021), <a href="https://www.fda.gov/vaccines-blood-biologics/consumers-biologics/important-patient-and-consumer-information-about-regenerative-medicine-therapies">https://www.fda.gov/vaccines-blood-biologics/consumers-biologics/important-patient-and-consumer-information-about-regenerative-medicine-therapies</a> (last visited May 8, 2025).

<sup>&</sup>lt;sup>3</sup> Ch. 499, Pt, 1, F.S.

<sup>&</sup>lt;sup>4</sup> The bill gives minimal manipulation two meanings. For structural tissue, minimal manipulation is a process that does not alter the original relevant characteristics of the tissue relating to the tissue's utility for reconstruction, repair, or replacement. For cells or nonstructural tissues, minimal manipulation means a treatment involving the use of afterbirth placental perinatal stem cells or human cells or tissues or tissue-based products. Minimal manipulation does not include treatment or research using human cells or tissues that were derived from a fetus or embryo after an abortion.

### Patient Disclosure Requirements

#### Written Notice

The bill requires the physician to provide prospective stem cell therapy patients with written notice, which must contain a particular disclosure, presented in any form of advertisement. Specifically, a physician must provide a patient with written notice before performing a non-FDA approved stem cell therapy on a patient which must state:

"THIS NOTICE MUST BE PROVIDED TO YOU UNDER FLORIDA LAW. This physician performs one or more stem cell therapies that have not yet been approved by the United States Food and Drug Administration. You are encouraged to consult with your primary care provider before undergoing any stem cell therapy."

The bill requires the notice to be clearly legible and in a type size no smaller than the largest type size used in the advertisement. (Sections  $\underline{1}$  and  $\underline{2}$ ).

### Informed Consent

The bill requires a physician to obtain written informed consent, signed by the patient, prior to performing non-FDA approved stem cell therapies which must include:

- The nature and character of the proposed treatment, including whether FDA approves the treatment.
- The anticipated results of the proposed treatment.
- The recognized possible alternative forms of treatment.
- The recognized serious possible risks, complications, and anticipated benefits involved in the treatment and in the recognized possible alternative forms of treatment, including the nontreatment option.
- The option for the patient to consult with his or her primary care provider before undergoing stem cell therapy. (Sections 1 and 2).

### **Criminal Conduct**

The bill criminalizes stem cell therapy treatment or research using human cells or tissues derived from a fetus or an embryo after an abortion. The bill also criminalizes the sale, manufacture, or distribution of computer products created using human cells, tissues, or cellular or tissue-based products. If a physician willfully performs or actively participates in either prohibited act, the state may charge the physician with a third-degree felony. 5 (Sections 1 and 2).

#### Licensure Discipline

The bill states that violations of standards which authorize allopathic and osteopathic physicians to perform certain stem cell therapies may subject them to disciplinary action by the Board of Medicine or the Board of Osteopathic Medicine, as applicable. (Sections  $\underline{1}$  and  $\underline{2}$ ).

The bill also expressly makes it a licensure violation for a physician to willfully perform or actively participate in stem cell therapy treatment or research using human cells or tissues derived from a fetus or an embryo after an abortion, or the sale, manufacture, or distribution of computer products created using human cells, tissues, or cellular or tissue-based products. (Sections  $\underline{1}$  and  $\underline{2}$ ).

<sup>&</sup>lt;sup>5</sup> A third-degree felony conviction, without any enhancements, carries a term of imprisonment not exceeding five years and, or, a fine not exceeding \$5,000. Ss. 775.082(3)(e), 775.083(1)(c), F.S.

### **Exemptions**

The bill expressly exempts a physician from the requirements from the bill's provisions if:

- The FDA approved the physician's application for an Investigational New Drug or Investigational New Device for use of the human cells, tissues, or cellular or tissue-based products.
- The physician performs stem cell therapy under an employment or other contract on behalf of an institution certified or accredited by the Foundation for the Accreditation of Cellular Therapy, the Blood and Marrow Transplant Clinical Trials Network, the Association for the Advancement of Blood and Biotherapies, or an entity with expertise in stem cell therapy, as determined by DOH. (Sections 1 and 2).

The bill was approved by the Governor on June 25, 2025, ch. 2025-185, L.O.F., and will become effective on July 1, 2025. (Section 3).

### **RULEMAKING:**

The bill authorizes the Board of Medicine and the Board of Osteopathic Medicine to adopt rules necessary to implement the bill. (Sections  $\underline{1}$  and  $\underline{2}$ ).

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

#### FISCAL OR ECONOMIC IMPACT:

#### STATE GOVERNMENT:

The bill has a negative, indeterminate fiscal impact on DOH. DOH believes that the enforcement workload for its Consumer Services Unit and Prosecution Services Unit may increase to protect the public from unauthorized performance of stem cell therapies; but enforcement costs can be absorbed within existing resources and budget authority.<sup>6</sup>

#### PRIVATE SECTOR:

To the extent allopathic and osteopathic physicians increase their revenues due to the performance of additional stem cell services, the bill has a positive, indeterminate economic impact on the private sector. However, to the extent these physicians also increase their costs for obtaining supplies, advertising, and workload, the magnitude of the economic impact through the bill is indeterminate.<sup>7</sup>

### RELEVANT INFORMATION

# **SUBJECT OVERVIEW:**

#### **Stem Cells**

<u>Stem cells</u>, the body's foundational building blocks, transform into more than 200 specialized cells, including blood, bone, and muscle cells, and repair damaged tissue. Stem cells continuously renew and divide to make exact replicas of themselves, and they also have the ability replenish or repair specific cell types.<sup>8</sup>

UMP TO <u>SUMMARY</u> <u>ANALYSIS</u> <u>RELEVANT INFORMATION</u>

<sup>&</sup>lt;sup>6</sup> Department of Health, Agency Bill Analysis for HB 1617 (2025), pp. 7 (Mar. 19, 2025) (on file with the Health and Human Services Committee).

<sup>&</sup>lt;sup>7</sup> *Id*. at 8.

<sup>&</sup>lt;sup>8</sup> Cleveland Clinic, Stem Cells, (last reviewed Mar. 22, 2023) <a href="https://my.clevelandclinic.org/health/body/24892-stem-cells">https://my.clevelandclinic.org/health/body/24892-stem-cells</a> (last visited May 8, 2025).

Stem cells help medical researchers understand how disease develops, how damaged or unhealthy cells can be replaced, and how to prepare and test new treatments and medications. To do so, medical researchers source stem cells from three donated sources:9

- Embryonic (pluripotent) stem cells: These cells, extracted from embryonic stem cells from donated blood cords or embryos developed during in vitro fertilization, can transform into any cell type.
- Tissue-specific (multipotent or unipotent) stem cells: These cells, extracted from a specific tissue, can regenerate to support tissue of the same kind.
- Induced pluripotent stem cells (iPS): These cells are lab-made to resemble and act like embryonic stem cells.

# **Stem Cell Therapy**

Stem cell therapy is the treatment of a condition or illness with stem cells or cells produced from stem cells. Currently, the range of diseases for which there are proven stem cell therapies is small. Nonetheless, treatments for disorders of the blood and immune systems and acquired loss of bone marrow can in some cases be treated effectively with blood stem cells. Tissue-specific and organ-specific treatments such as those for skin and corneas have also proven successful. Most other stem cell therapies are still experimental and have not yet been shown to be safe or effective.<sup>10</sup>

### **Stem Cell Regulation**

# The Food and Drug Administration

The Center for Biologics Evaluation and Research

The Center for Biologics Evaluation and Research (CBER), within the United States Food and Drug Administration (FDA), regulates biological products for human use. <sup>11</sup> CBER regulates human cells, tissue, and cellular and tissue-based products (HCT/P), which are human cells or tissue intended for implantation, transplantation, infusion, or transfer into a human recipient. <sup>12</sup> Examples of HCT/Ps are bone, skin, corneas, ligaments, tendons, dura mater, heart valves, hematopoietic stem/progenitor cells derived from peripheral and cord blood, oocytes and semen. CBER does not regulate the transplantation of vascularized human organ transplants such as kidney, liver, heart, lung or pancreas. The Health Resources Services Administration (HRSA) oversees the transplantation of vascularized human organs. <sup>13</sup>

An establishment that manufactures <u>human cells, tissues, and cellular and tissue-based products</u> (HCT/Ps), must register with CBER, if:<sup>14</sup>

- The HCT/P is minimally manipulated;
- The HCT/P is intended for homologous use only;
- The manufacture of the HCT/P does not involve the combination of cells or tissues with another article, except for water, crystalloids, or a sterilizing, preserving, or storage agent, provided that the addition of water, crystalloids, or the sterilizing, preserving, or storage agent does not raise new clinical safety concerns with respect to the HCT/P; and, either
  - The HCT/P does not have a systemic effect and is not dependent upon the metabolic activity of living cells for its primary function; or

<sup>&</sup>lt;sup>9</sup> *Id*.

<sup>10</sup> Supra, FN 6 at 2.

<sup>&</sup>lt;sup>11</sup> United States Food and Drug Administration, Center for Biologics Evaluation and Research, United States Department of Health and Human Services, (last updated Sept. 18, 2024) <a href="https://www.fda.gov/about-fda/fda-organization/center-biologics-evaluation-and-research-cber">https://www.fda.gov/about-fda/fda-organization/center-biologics-evaluation-and-research-cber</a> (last visited May 8, 2025). CBER's authority derives from the Public Health Service Act (42 U.S.C. § 264) and the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 301 et seq.). Applicable federal regulations are found primarily in 21 C.F.R., part 1271.

<sup>&</sup>lt;sup>12</sup> United States Food and Drug Administration, Tissue & Tissue Products, United States Department of Health and Human Services, (last updated Mar. 1, 2024) <a href="https://www.fda.gov/vaccines-blood-biologics/tissue-tissue-products">https://www.fda.gov/vaccines-blood-biologics/tissue-tissue-products</a> (last visited May 8, 2025).

<sup>13</sup> Id.

<sup>&</sup>lt;sup>14</sup> Supra, FN 6 at 3.

- The HCT/P has a systemic effect or is dependent upon the metabolic activity of living cells for its primary function, and:
  - Is for autologous use;
  - Is for allogeneic use in a first-degree or second-degree blood relative; or
  - Is for reproductive use.

An establishment is not required to comply with registration and reporting requirements if the establishment:15

- Uses HCT/P's solely for nonclinical scientific or educational purposes;
- Removes HCT/P's from an individual and implants such HCT/P's into the same individual during the same surgical procedure;
- Is a carrier who accepts, receives, carries, or delivers HCT/P's in the usual course of business as a carrier;
- Does not recover, screen, test, process, label, package, or distribute, but only receives or stores HCT/P's solely for implantation, transplantation, infusion, or transfer within their facility;
- Only recovers reproductive cells or tissue and immediately transfers them into a sexually intimate partner of the cell or tissue donor; or
- Is an individual under contract, agreement, or other arrangement with a registered establishment and engaged solely in recovering cells or tissues and sending the recovered cells or tissues to the registered establishment; however, it must comply with all other applicable requirements.

The HCT/P is regulated as a drug, device, or biologic product under the Public Health Service Act and/or the Food, Drug, and Cosmetics Act, if it does not meet the above-referenced requirements or qualify for an exemption. In 2017, the FDA published a comprehensive regenerative medicine policy framework. The only stem cell-based therapies that have been approved by the FDA for use in the United States consist of blood-forming stem cells derived from cord blood. CBER regulates cellular therapy products which includes cellular immunotherapies, cancer vaccines, and other types of both autologous and allogeneic cells for certain therapeutic indications, including hematopoietic stem cells and adult and embryonic stem cells.

Donated cord blood is the only embryonic stem cell treatment approved by the FDA.<sup>18</sup> Federal law does not explicitly prohibit the use of fetal-derived stem cells obtained from elective abortions; however, such use is subject to ethical oversight, particularly in federally funded research. The National Institutes of Health requires review by an ethics advisory board for proposed research involving fetal tissue.<sup>19</sup>

#### Current Good Manufacturing Practices

The FDA requires establishments that manufacture or manipulate HCT/Ps to register with CBER and to comply with current Good Tissue Practices (cGTPs) under 21 C.F.R. part 1271, subpart D.<sup>20</sup> These practices are designed to prevent the introduction or transmission of communicable diseases. The FDA conducts inspections, issues warning letters, and may pursue civil or criminal enforcement actions against facilities or providers offering unapproved or noncompliant stem cell therapies.

The FDA has issued warnings about the widespread marketing of unapproved regenerative medicine products, noting that approval is granted only after rigorous evaluation in clinical trials to ensure safety and efficacy. The

<sup>&</sup>lt;sup>15</sup> *Id*.

 $<sup>^{16}</sup>$  *Id.* at 2-3.

<sup>&</sup>lt;sup>17</sup> United States Food and Drug Administration, Cellular & Gene Therapy Products, United States Department of Health and Human Services, (last updated Mar. 1, 2024) <a href="https://www.fda.gov/vaccines-blood-biologics/tissue-tissue-products">https://www.fda.gov/vaccines-blood-biologics/tissue-tissue-products</a> (last visited May 8, 2025)

<sup>&</sup>lt;sup>18</sup> Cleveland Clinic, Stem Cells, (last reviewed Mar. 22, 2023) <a href="https://my.clevelandclinic.org/health/body/24892-stem-cells">https://my.clevelandclinic.org/health/body/24892-stem-cells</a> (last visited May 8, 2025).

<sup>&</sup>lt;sup>19</sup> National Institutes of Health, Policies and Procedures for the Use of Human Fetal Tissue (HFT) in Non-Transplantation Research, <a href="https://oir.nih.gov/sourcebook/ethical-conduct/special-research-considerations/policies-procedures-use-human-fetal-tissue-hft-non-transplantation-research">transplantation-research</a> (last visited May 8, 2025).

<sup>&</sup>lt;sup>20</sup> See U.S. Department of Health & Human Services, Current Good Tissue Practice (CGTP) and Additional Requirements for Manufacturers of Human Cells, Tissues, and Cellular and Tissue-Based Products (HCT/Ps), <a href="https://www.hhs.gov/guidance/document/current-good-tissue-practice-cgtp-and-additional-requirements-manufacturers-human-cells">https://www.hhs.gov/guidance/document/current-good-tissue-practice-cgtp-and-additional-requirements-manufacturers-human-cells (last visited May 8, 2025).</a>

FDA has received reports of serious adverse events associated with unapproved regenerative medicine therapies, including blindness, tumor formation, and infections. <sup>21</sup> Consumers are advised to exercise caution and are encouraged to report any adverse effects or file complaints related to these products directly to the FDA.

In the past, the FDA has issued a warning letter to at least one Florida-based provider for illegally using stem cell therapies not approved by the FDA and without an investigational new drug application or a valid biologics license in effect. The FDA required this Florida-based provider to provide a written response within 15 days outlining the corrective action planned to correct the violations and prevent their reoccurrence.<sup>22</sup>

### **Physician Regulation**

The Florida Board of Medicine (BOM), under the DOH, is responsible for licensing, regulating, and disciplining medical doctors, a.k.a. <u>allopathic physicians</u>, pursuant to ch. 458, F.S. The Board of Osteopathic Medicine (BOOM), pursuant to ch. 459, F.S., exercises the same authority for <u>osteopathic physicians</u>. The BOM has the authority to impose disciplinary sanctions, including license suspension or revocation, for violations of the standard of care, deceptive advertising, or failure to obtain proper informed consent, under <u>s. 456.072, F.S.</u>, and related provisions of the Medical Practice Act. The BOOM has the authority to impose similar disciplinary sanctions under <u>s. 459.015</u>, <u>F.S.</u>, which governs grounds for disciplinary action against osteopathic physicians.

# **Stem Cell Therapy Related Board Actions**

BOM reviews complaints against providers advertising unproven stem cell treatments for conditions such as orthopedic pain and neurodegenerative disorders. Some of these providers have been subject to formal investigations, fines, and, in certain cases, license restrictions or revocations. In 2013, the BOM revoked the licenses of two physicians in administrative cases involving stem cells for failing to meet the standard of care. In 2015, the BOM warned physicians and consumers that they should be aware of the risks involved accessing stem cell therapies and regenerative medicine that was not approved by the FDA. The BOM further warned that a physician providing stem cell treatment should do so only with an FDA investigational new drug application (IND) or a single patient IND for Compassionate or Emergency Use.<sup>23</sup>

<sup>23</sup> Supra, FN 6 at 3-4.

<sup>&</sup>lt;sup>21</sup> U.S. Food & Drug Administration, Important Patient and Consumer Information About Regenerative Medicine Therapies, (Jun. 3, 2021), <a href="https://www.fda.gov/vaccines-blood-biologics/consumers-biologics/important-patient-and-consumer-information-about-regenerative-medicine-therapies">https://www.fda.gov/vaccines-blood-biologics/consumers-biologics/important-patient-and-consumer-information-about-regenerative-medicine-therapies</a> (last visited May 8, 2025).

<sup>&</sup>lt;sup>22</sup> U.S. Food and Drug Administration, Division of Biological Products Operations, Warning Letter #OBPO 19-05 Cord for Life, Inc., MARCS-CMS 572770 – March 29, 2019.