



COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

SENATE OFFICE
JAN 23 2017
COMMITTEE ASSIGNMENTS:
COMMERCE AND LABOR (VICE CHAIRMAN)
FINANCE
SCIENCE AND TECHNOLOGY

KATHY J. BYRON
POST OFFICE BOX 900
FOREST, VIRGINIA 24551
TWENTY-SECOND DISTRICT

January 11, 2017

The Honorable Frank W. Wagner
General Assembly Building, Room 304
Capitol Square
Richmond, Virginia 23219

Re: Senate Bill 639 - Health insurance; proton radiation therapy coverage decisions.

Dear Senator Wagner:

By letter dated April 27, 2016, Susan Schaar advised me that the Senate Committee on Commerce and Labor referred the subject matter contained in Senate Bill 639 to the Health Insurance Reform Commission (the Commission). I was asked to provide a written report to you and Former Senator Kenneth C. Alexander, as chairman of the Senate Committee on Commerce and Labor and as patron of Senate Bill 639, respectively. I will not be providing a copy to Former Senator Alexander, as he has retired from the Senate.

Senate Bill 639 would prohibit health insurance plans that provide coverage for cancer therapy from holding proton radiation therapy to a higher standard of clinical evidence for benefit coverage decisions than the standards that are applied to other types of radiation therapy treatments. This bill does not establish a mandated benefit.

During the November 7, 2016, meeting, the Commission received testimony on proton radiation therapy. A summary of the testimony received at the meeting is enclosed. The proponents of the proposed legislation testified that proton radiation therapy has recognized advantages and is becoming more affordable. The opponents of the proposed legislation testified that there is no third party clinical evidence that proton radiation therapy is more effective than other radiation therapies in regard to treatment of localized prostate cancer. The opponents argue coverage cannot be justified without more clinical evidence.

The Honorable Frank W. Wagner
Page 2
January 11, 2017

The Commission studied the issue without making a recommendation and does not plan to take any further action on Senate Bill 639 in response to Susan Schaar's letter.

With kind regards, I am

Sincerely,

A handwritten signature in black ink that reads "Kathy Byron". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kathy J. Byron, Chair
Health Insurance Reform Commission

Enclosure

cc: Susan Schaar, Clerk of the Senate
Emma Buck, Division of Legislative Services
Franklin D. Munyan, Division of Legislative Services
Scott Maddrea, House Committee Operations

Proton Radiation Therapy

Report on Senate Bill 639

House Bill 978, introduced by Delegate David Yancey, and Senate Bill 639, introduced by Senator Kenneth Alexander, are identical. HB 978 was continued to 2017 in the House Commerce and Labor Committee by a voice vote. SB 639 was passed by indefinitely with a letter in the Senate Commerce and Labor Committee on a vote of 15-0. These bills prohibit health insurance plans that provide coverage for cancer therapy from holding proton radiation therapy to a higher standard of clinical evidence for benefit coverage decisions than the standards that are applied to other types of radiation therapy treatments. Proton radiation therapy, which utilizes protons as an alternative radiation method, was approved by the Food and Drug Administration (FDA) in 1988 as a form of cancer treatment. These bills do not establish a mandated benefit.

The Health Insurance Reform Commission (the Commission) received testimony on HB 978 and SB 639 during its November 7, 2016, meeting.

Bill Thomas, Associate Vice President of Governmental Relations at Hampton University, and Dr. Vahagn Nazaryan, Executive Director of the Hampton University Proton Radiation Institute, began the discussion on proton radiation therapy. Mr. Thomas explained that the Proton Radiation Institute is asking the Commission to allow patients and prescribers to be able to make choices and have access to this therapy, which is available at Hampton University and a few other places in the country. Proton radiation therapy is Medicare approved and FDA approved. The facility at Hampton University has saved over 2,000 lives, and it has the largest capacity in the country for serving veterans. Other universities, such as Stanford University, are beginning to invest in proton radiation therapy. Additionally, the costs are coming down. Dr. Nazaryan testified that insurance companies generally do not cover proton radiation therapy even when they cover other radiation therapies, and he opined that insurers need to give options to their patients and provide coverage for this therapy.

Doug Gray from the Virginia Association of Health Plans testified that proton radiation therapy is not covered by most insurers because there is no evidence that it is better than other radiation therapies and it is more expensive than other radiation therapies. Plans choose to cover less expensive therapies that are just as effective. Mr. Gray stated that this technology is not being evaluated differently than other technology but that evaluations show that it is not cost effective.

Delegate Lee Ware asked Mr. Gray to respond to a review from a medical authority that indicated that proton radiation therapy is particularly effective in treating certain complex cases. In response, Mr. Gray indicated that proton radiation therapy may be covered in some specific cases. Mr. Thomas responded that the efficacy of this treatment has been accepted elsewhere, as evidenced by the fact that other states are expanding this treatment and that the Department of Veterans Affairs has accepted it. In response to a question from Delegate Yancey, Dr. Nazaryan testified that proton radiation therapy is able to treat certain ailments that result from exposure to Agent Orange.

In regard to the proton radiation therapy issue, Insurance Commissioner Jacqueline Cunningham pointed out that both internal and external appeal processes currently exist for the patient if the insurer will not cover a specific type of treatment. In response to follow-up questions, staff

explained that the proposed legislation would not mandate coverage of proton radiation therapy but it would prohibit insurers from holding proton radiation therapy to a higher level of clinical evidence for benefit coverage decisions than other types of radiation therapy treatment.

The Commission made no recommendation on these bills and decided to continue reviewing this issue independently and invite others to learn more about proton radiation therapy.