

State Corporation Commission

2016 Fiscal Impact Statement

1. Bill Number: SB639

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Alexander

3. Committee: Commerce and Labor

4. Title: Health insurance; proton radiation therapy coverage decisions.

5. Summary: Health insurance; proton radiation therapy coverage decisions. Prohibits health insurance policies and plans from holding proton radiation therapy to a higher standard of clinical evidence for benefit coverage decisions than is applied for other types of radiation therapy treatment. The measure applies to policies and plans that provide coverage for cancer therapy.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: Generally, decisions involving standards or quality of care fall under Title 32.1, which is within the authority of the Virginia Department of Health. If it is the patron's intention that the statute should be in Title 38.2, the new section could be created in Article 1 of Chapter 34 (General Provisions) rather than Article 2 (Mandated Benefits) since the provisions of this bill are not a mandate for coverage of proton radiation therapy.

11. Other comments: Senate Bill 639 provides that in coverage for cancer therapy, coverage decisions related to proton radiation therapy treatment must not be held to a higher standard of clinical evidence than for decisions related to other types of radiation therapy treatment. However, the bill does not mandate coverage of proton radiation therapy.

Proton therapy is an FDA-approved (1988) form of cancer treatment that is able to direct radiation to the exact location of a tumor. Although proton therapy is generally a more costly treatment than traditional radiation therapies, it is covered by Medicare and by most insurers for pediatric cases. Similar legislation has been considered and failed to pass in Tennessee, but a measure very similar to Senate Bill 639 was enacted in Oklahoma.

House Bill 978 is identical to Senate Bill 639.

Date: 01/21/16/V. Tompkins

cc: Secretary of Health and Human Resources