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Joint Legislative Audit and Review Commission



**Evaluation of House Bill 623:  
Mandated Coverage for Treatment of Malignant Brain  
Tumors at NCI Cancer Centers**

Briefing for the Special Advisory Commission on  
Mandated Health Insurance Benefits

October 17, 2006



JLARC

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## Background on HB 623

- Covers treatment of primary and metastatic malignant brain tumors at NCI cancer centers
- 14 NCI cancer centers (VCU and UVA in state, 12 out of state) covered by proposed mandate
- Mandate proposed due to belief that quality of care superior at NCI cancer centers
- Amounts and types of treatment covered would not change; would increase access to NCI cancer centers

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## In This Presentation

- Medical Efficacy and Effectiveness
- Social Impact
- Financial Impact
- Balancing the Medical, Social, and Financial Considerations



## Evidence on Quality of Treatment for Malignant Brain Tumors Based on Volume of Surgeries

- No published studies specifically evaluate benefit of treatment for *malignant brain tumors* at NCI centers
- High volume of brain surgeries correlated with improved outcomes; some NCI cancer centers perform high volume of brain surgeries
- Many patients (up to 60%) have only outpatient treatments, not surgery
- No published studies evaluating outpatient treatments at NCI centers

## Patients in HMOs Without Coverage Most Affected By Mandate

- Estimated 828 of 5,018 Virginians diagnosed with malignant brain tumor are in HMOs
  - One of 12 HMOs surveyed provides coverage in mandate (7 provide coverage at VCU and/or UVA)
- Patients without coverage could face financial hardship
  - Average treatment cost from \$16,000 to \$42,000 (28% to 74% of median household income)

## Most Insureds Have Access to NCI Cancer Centers, but Choose Other Quality Options

- Small percentage of malignant brain tumor patients treated at NCI cancer centers
  - 10% treated at VCU/UVA
  - 24% of patients receiving inpatient treatment utilized VCU/UVA
  - Data unavailable on total patients using out-of-state NCI centers
- 79% of malignant brain tumor patients received inpatient treatment at high-volume location or system with high-volume hospital

## Mandate Expected to Have Only Modest Financial Impact

- Could result in higher treatment costs
  - Costs approx. 10% higher at high-volume centers, such as NCI cancer centers
  - Could compromise ability for insurers to negotiate competitive rates
  - Could increase utilization of NCI cancer centers
- Only small change in treatment locations expected based on current utilization
- Median monthly premium increase estimated at \$1.00 for both individual and group standard coverage

## Not a Compelling Need for Proposed Mandate

- Would not fill need of helping patients finance critical health care costs
  - Insurance already provides means of addressing costs; mandate would increase options on treatment location
- Would affect relatively modest number of patients; many would probably not change treatment locations
- Expected modest increase in cost and premiums, but not a compelling need for mandate

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