

The Economic Alliance for Michigan
CON Commission Public Hearing - March 27, 2008
Bret Jackson, Legislative Director

CT SCANNER SERVICES:

The Economic Alliance for Michigan strongly agree with the position recommended by the Standards Advisory Committee (SAC) and again approved by the Commission at its March 11, 2008 meeting that all CT Scanners should continue to be subject to CON.

We continue to be opposed to efforts by some to exempt Specialty Use CT units from CON regulations. The issue of Specialty CT was dealt with extensively by the SAC during their 2007 review of the CT standards. The Michigan Dental Association, the ENT Physicians and the manufacturer (Xoran Technology) of these machines were given ample opportunity to present their reasons for exempting these units. The near unanimous decision of this SAC was to continue to include these machines under CON.

Dental CT

The current CON regulations for Dental CT were developed in 2005 following extensive deliberation. The dental CT minimum annual volume of 200 was set at less than 3% of the volume for a full-body CT. Also, based upon national research, the use of a dental CT was limited to dental surgery. During the 2007 review of these standards, the SAC was asked to consider expanding the use of a Dental CT to include orthodontics. The information presented did not persuade the SAC to make this change. The Michigan Dental Association's representative has told the Commission that MDA would like to see the paperwork associated with filing for a dental CT CON simplified. At its March 11th meeting, the Commission called for a workgroup to determine if the paperwork could be simplified.

EAM supports this effort to simplify the paperwork associated with filing for a CON for a dental CT. In fact, we think that any unneeded paperwork should be eliminated for all CON applications.

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Blue Cross Blue Shield of Michigan/Blue Care Network

Proton Beam Accelerator:

Blue Cross Blue Shield of Michigan and Blue Care Network want to thank the Department of Community Health for the opportunity to provide this statement. The Michigan Blues are committed to providing access to cost-effective, high quality care and believe the Certificate of Need Commission is an excellent mechanism to help ensure that health care dollars are spent effectively in the state of Michigan.

We endorse the position put forth by the MRT Work Group encouraging health systems to work together in drafting regulations and jointly filing a certificate of need for a proton beam accelerator in SE Michigan. The formation of a statewide consortium of providers is strongly recommended.

The Blues support the reasons summarized by the Work Group and the CON Commission including:

- Proton beam therapy is new technology and there is a lack of sufficient medical data and research supporting its cost-effectiveness and impact on clinical outcomes and quality of care.
- Proton beam therapy has limited application and is established in a small number of cancers. At BCBSM, it is considered a useful therapeutic option when indicated for patients who meet specific patient criteria. BCBSM policy is based on medical necessity and on evidenced based, peer-reviewed medical literature.
- There is a lack of consensus among the medical community, especially among radiation oncologists, regarding its efficacy in treating cancers outside of certain types of malignancies.
- The Blues are concerned that a proliferation of proton beam accelerators would encourage hospitals to place pressure on physicians to direct patients toward proton therapy, when in fact; less costly alternatives utilizing photon therapy are just as effective. Overutilization will unnecessarily drive health care costs.
- There is not enough demand (or number of cancer cases that fit the inclusionary criteria) to justify the need to invest in more than one facility in the Southeast Michigan.
- It is recommended that cancer centers participating in the consortium submit an application demonstrating their qualifications before acceptance is granted. Eligible applicants should only include experienced leaders in the field of radiation oncology. Criteria should be based on the availability of highly-trained professionals and hospitals servicing a high-volume of cancer patients.
- Members of the consortium should submit authorized signatures declaring their commitment to collaborate and display their willingness to provide periodic updates to the workgroup.

We thank all the physician experts across the state for taking the time to provide us with additional information and insight on this issue. Last but not least, we'd like to once more thank the Department of Community Health for their consideration of this matter.

ENT & any other Specialty CTs

During the review of the CT standards in 2007, the SAC tried to determine if the ENT CT could be regulated with a more appropriate minimum annual volume and a defined authorized use, as was done for Dental CTs. The advocates for the ENT CT were unwilling to discuss any limited and appropriate CON regulations on these specialty CTs.

The Economic Alliance believes that there is need for CON regulation of these specialty CTs. Full-body CTs are generally owned and operated by an organization that provides CT services based upon physicians' referrals. This arm's-length relationship between the referring physician and the owner/operator of the CT lessens the likelihood of excess and inappropriate utilization. It is proposed that specialty CT could be owned and operated by the same physicians ordering the tests. This potential for inappropriate self-referrals because of pressures to pay of the unit, makes the specialty CTs different than the existing full-body CTs.

Economic Alliance would support CON standards for specialty CT with appropriate annual minimum volumes. That should ensure the appropriate minimum level of proficiency and training for those operating the CT, usually staff, and the reading of the images, usually the physician. Finally, there should be some definition of the medical situations where the use of the specialty CT is appropriate.

These reasonable limitations on the use of specialty CT's is help ensure the accessibility, affordability and quality of specialty CTs for all the residents of Michigan.

Good morning my name is Sean Gehle and I am here today representing the Michigan Health Ministries of Ascension Health including Borgess Health, Genesys Health System, St. John Health, St. Mary's of Michigan and St. Joseph Health System. I would again like to take this opportunity to indicate our support for the concept of a statewide collaborative of providers who would be eligible to apply to initiate an MRT Service providing Proton Beam Therapy envisioned by the language given preliminary approval by the CON Commission at its March 11th meeting.

The Michigan Health Ministries of Ascension Health continue to believe that Proton Beam Therapy should be made available to Michigan residents who could benefit from this form of radiation treatment. However, given this technology's current limited applicability to pediatric cancer cases and some tumors in the brain, neck and spine, and likewise limited theoretical applications, we believe it is appropriate to limit this technology within the state and that a statewide collaborative of providers is the most appropriate method by which to ensure that eligible patients have access while also constraining the proliferation of numerous centers that would result in multiple lower volume centers and significantly increased health care costs.

Similarly, we continue to be concerned that this technology be accessible to the greatest number of eligible patients within the state and subsequently support the inclusion of strong language to ensure geographic representation in the proposed statewide collaborative. We believe there may be room to strengthen this language and will provide more specific recommendations in our written comments.

In conclusion, we believe the proposed language provides for a deliberative and open structure by which all interested entities with clinical expertise in this arena and who want to participate in making this technology accessible and available to the residents of Michigan can perform a valuable role. We believe a statewide collaborative of health systems who operate significant radiation oncology programs will result in ensuring that the needs of the patient remain the focus of any initiative to bring Proton Beam Therapy to Michigan.

We may offer additional and more specific comments regarding the specific language in our written submission. Thank you for the opportunity to provide comment.

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PROTON BEAM THERAPY CON STANDARDS

The Economic Alliance for Michigan supports the CON Commission's proposal to require a truly collaborative approach among the highest volume hospital MRT programs, with other groups also able to participate, to establish a Proton Beam Therapy (PBT) program in Michigan. That experience can then guide the Commission's subsequent judgment if and when more PBT programs should be established in Michigan.

EAM is going through its internal process to consider the Commission's question whether the collaborative must involve "all" the highest volume hospital MRT programs, or just "most." Some of our members already indicate that they share the concern that requiring agreement among "all" would mean just one program could block the effort. EAM will have its response to the Commission's inquiry by the April 30th meeting.

Absent final enactment of the Commission's proposal, there could be multiple centers. That would mean dividing the potentially small volume of appropriate cases among multiple facilities, resulting in far less than desirable research results.

Also the costs of multiple centers, each having the most expensive medical equipment yet developed, would be tremendous. So far five hospitals have filed with the CON program, requesting approval of a total of \$689 million in initial project costs and projected to have more than \$100 million in annual operating costs.

We agree with the Commission's balanced judgment to bring this new anti-cancer technology to Michigan in a careful and deliberative manner. Having one program, jointly sponsored by major hospital cancer programs and other interested parties, is the best approach. It provides the best chance for the possible benefits of this new approach to be evaluated at the highest volume facility, allowing greater statistical validity for the outcomes.

Proton Beam Therapy is by far the most expensive medical equipment (up to \$159 million for each football-field size facility). Most physician cancer radiation experts in Michigan at major hospital cancer programs, and at all four medical schools, testified this is an unproven technology with so far clear benefits for only a small number of patients. However, there was general agreement among the cancer radiation medical experts that Michigan should be involved in the research and evaluation of the benefits for patients that may be shown for other cancer cases. Thus, one program jointly-sponsored makes sense.

Michigan has been a national leader in fashioning appropriate CON standards to promote the best balance among the objectives of accessibility, quality, and affordability of healthcare services. Why should Michigan not be the national leader in promoting a truly collaborative effort among leading hospital MRT programs? That would assure that Michigan could also maximize the quality, accessibility and affordability for proton beam therapy, about twenty times more costly than any current item of medical equipment.

Proton Beam Therapy CON Standards

March 27, 2008 – CON Commission Testimony

Good Morning, My name is Cassandra Saunders, Legislative Program Manager for Chrysler. We support the actions of the Commission taken on March 11th and the standards that were adopted.

As you are undoubtedly aware, the cost of healthcare is a major concern for Chrysler and our employees. With double-digit health care inflation, Chrysler is involved in many efforts to control health care cost escalation. In addition to cost, it is important to us that our employees have access to quality healthcare. It makes good business sense for employers to ensure that our employees have access to the most effective treatments available. A healthy workforce increases productivity and lowers overall healthcare spending for the company. Chrysler supports new technologies or treatments which have proven effectiveness. This helps Chrysler maintain a healthy workforce – and we are all for that!

From all of the information presented, we do not see a need for multiple proton beam centers in this state. There is no compelling evidence that Proton Beam Therapy is better at treating most cancers than established practice. Where there is compelling evidence that Proton Beam Therapy is superior for certain cancers, there seems to be adequate capacity for treatment of these cancers, especially if a center is built in Michigan.

Without any further demonstration of quality, or a problem of access, we are left with cost. At \$70 million, or \$159 million, based on the applications

submitted, Proton Beam Therapy is the single most expensive piece of medical equipment ever to be invented. For Michigan to allow unrestricted proliferation of this technology into this state would be irresponsible. Chrysler applauds the Commission's swift and decisive action to create a CON standard that addresses the needs of the entire state.

Introducing such costly technology through a statewide consortium makes sense! We are fortunate to have many of the nation's leading cancer centers in this state. The consortium, or collaborative approach, will require the preponderance of leading medical judgment in this state to dictate the terms by which this technology is introduced. Chrysler sees that as a plus for patients, taxpayers, and yes, those businesses who provide health care coverage in this state.