



COLON HEALTH CENTERS
OF AMERICA
Virtual • Convenient • Life-saving

January 4, 2010

Michael J. Malloy, FLMI, HIA
Chief, Health Insurance Bureau
NJ Department of Banking and Insurance
20 West State Street
P.O. Box 470
Trenton, NJ 08625-0470

**Re: Non-compliance with Virtual Colonoscopy coverage pursuant to:
17B:26-2.1u. Individual policy to provide coverage for colorectal cancer screening.**

Dear Mr. Malloy:

I am writing to issue a complaint regarding XXXXX's refusal to recognize the State of New Jersey's mandate for coverage of Virtual Colonoscopy / CT Colonography pursuant to Title 17B of the New Jersey Insurance Code:

17B:26-2.1u. Individual policy to provide coverage for colorectal cancer screening.

4. Every individual policy that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to N.J.S.17B:26-1 et seq., or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall provide benefits to any named insured or other person covered thereunder for expenses incurred in conducting colorectal cancer screening at regular intervals for persons age 50 and over and for persons of any age who are considered to be at high risk for colorectal cancer. The methods of screening for which benefits shall be provided shall include: a screening fecal occult blood test, flexible sigmoidoscopy, colonoscopy, barium enema, or any combination thereof; **or the most reliable, medically recognized screening test available. The method and frequency of screening to be utilized shall be in accordance with the most recent published guidelines of the American Cancer Society and as determined medically necessary by the covered person's physician, in consultation with the covered person.**

As you may be aware, the most recent published guidelines of the American Cancer Society, which were published in March 2008, clearly list VC/CTC among the preferred CRC screening modalities:

TABLE 1 Testing Options for the Early Detection of Colorectal Cancer and Adenomatous Polyps for Asymptomatic Adults Aged 50 Years and Older

| Tests that Detect Adenomatous Polyps and Cancer |
|---|
| Flexible sigmoidoscopy every 5 years, or |
| Colonoscopy every 10 years, or |
| Double-contrast barium enema every 5 years, or |
| Computed tomographic colonography every 5 years |
| Tests that Primarily Detect Cancer |
| Annual guaiac-based fecal occult blood test with high test sensitivity for cancer, or |
| Annual fecal immunochemical test with high test sensitivity for cancer, or |
| Stool DNA test with high sensitivity for cancer, interval uncertain |

These ACS guidelines may be viewed in their entirety at the following site:

http://caonline.amcancersoc.org/cgi/content/full/58/3/130?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&titleabstract=guidelines&searchid=1074190906250_391&stored_search=&FIRSTINDEX=0&journalcode=canjclin

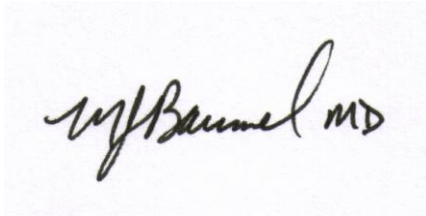
On multiple occasions, our center has attempted to pre-certify New Jersey-based XXXXX insureds for CRC screening via Integrated Virtual Colonoscopy according to the patients' and their physicians' wishes. On each occasion, our staff has encountered XXXXX's pre-certification staff who refer to XXXXX's policy that VC/CTC is "investigational" and therefore not covered. We have then brought the issue to XXXXX's regional medical director who, after several weeks, has not offered any explanation as to why VC/CTC is not covered in these patients. At every step of the way, we have referenced Title 17B of the New Jersey Insurance Code without success.

The most recent patients that have been denied coverage by XXXXX are:

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

We appreciate the support you can provide by enforcing Title 17B of the New Jersey Insurance Code with respect to New Jersey XXXXXX insureds.

Sincerely yours,

A handwritten signature in black ink that reads "Mark J. Baumel MD". The signature is written in a cursive, flowing style.

Mark J. Baumel, MD
President and CEO
Colon Health Centers of America