

March 20, 2025

Senator Donna Bailey
Representative Kristi Mathieson
Committee On Health Coverage, Insurance and Financial Services
100 State House Station
Augusta, ME 04333

RE: LD 627 – An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication

Dear Senator Bailey, Representative Mathieson and members of the HCIFS Committee:

On behalf of Harvard Pilgrim Health Care, a Point32Health company, I am writing to express our strong opposition to LD 627 – An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication. Harvard Pilgrim is a leading not-for-profit health and well-being organization that currently serves approximately 50,000 Maine fully-insured commercial members. We are committed to providing access to high-quality and affordable health care, improving the health and wellness of our members, and creating healthier communities through our health plans.

If passed, LD 627 would mandate commercial insurance coverage of glucagon-like peptide-1 (“GLP-1”) receptor agonist medication when prescribed by any health care provider. It would further prohibit prior authorization and limit cost sharing to \$35 per prescription for a 30-day supply. Harvard Pilgrim currently covers GLP-1 medications for members with a diagnosis of type 2 diabetes and for members who have tried and failed with a 30-day supply or are currently taking an oral hypoglycemic agent. Harvard Pilgrim additionally offers wellness programs on nutrition, fitness and physical activity, and more for members looking for support in managing their weight.

Nationwide, the rates of obesity and obesity-related diseases continue to rise, driving new needs for cardiometabolic support. As such, there are now many prescription medications, such as GLP-1s, available to consumers for a wide array of cardiometabolic-related conditions and diseases, including rapid weight loss. However, prescribing GLP-1 medications for weight loss is relatively new and research describing their long-term clinical benefit remains unclear. Some initial research suggests that many individuals prescribed a GLP-1 for weight loss do not stay on their prescribed treatment beyond a few weeks. Other research indicates that when an individual stops taking the GLP-1, they regain much of the weight they lost, suggesting that individuals prescribed a GLP-1 medication for weight loss may need to continue taking that GLP-1 in perpetuity. While highly sensationalized for quick results, these weight loss medications are expensive, not suited for everyone and may deliver a variety of side effects. Even short-term use has significant cost implications to employers and health plan members.

GLP-1 medications are some of the most expensive drugs on the market, with utilization increasing at an unsustainable rate. In the PSG 2024 Trends in Drug Benefit Design Report survey, 74% of health plan respondents indicated they have experienced an increase in GLP-1 spend.¹ J.P. Morgan Research

¹ Pharmaceutical Strategies Group (PSG) GLP-1 Trends Infographic <https://www.psgconsults.com/resource/glp-1-trends-infographic/>

recently forecasted that “the GLP-1 market will exceed \$100 billion by 2030, driven equally by diabetes and obesity usage” with 30 million total utilizers.²

However, there is little evidence that utilization of GLP-1 medications for weight loss leads to reductions in total health care spending. Recent reports from ICER³ and the Congressional Budget Office⁴ have indicated that GLP-1 usage for weight loss is not cost-effective at the current price points. The rapid rise in cost and utilization of GLP-1 medications and the lack of clarity on their long-term clinical benefit is causing states and employers to rethink coverage. For example, the North Carolina State Health Plan stopped covering GLP-1 medications for weight loss in April 2024⁵ and the Massachusetts Division of Insurance recently issued guidance making it clear that commercial carriers can use their discretion when deciding whether to cover GLP-1 in 2026 for non-diabetic patients to treat weight loss and associated comorbidities.⁶

While Harvard Pilgrim is committed to ensuring our members have access to safe and effective medications, mandating broad coverage of GLP-1 medications will significantly impact the cost of health care in Maine. Steep utilization trends for GLP-1 medications have resulted in incremental increases in premiums by 1% or more annually. If this mandate is enacted, coverage for GLP-1 medications is estimated to account for up to 5% of total Harvard Pilgrim premium in 2026, or up to ~\$40PMPM. Capping cost share and prohibiting any utilization management programs further contributes to rising costs and premiums.

Finally, it is important to note that this committee recently debated LD 480 - An Act to Support Healthy Weight by Providing MaineCare Coverage for Certain Weight Loss Medications. While LD 480 and LD 627 would both mandate coverage of GLP-1s, LD 480 is much more restrictive and would only require coverage when prescribed by a primary care provider or bariatric specialist and permits prior authorization requirements. Even with this much narrower mandate, the Department of Health and Human Services estimated the cost for the MaineCare program, after rebates, to be \$42 million in state fiscal year (SFY) 2026 and \$53 million in SFY2027. The committee found the bill ought not to pass. The much broader mandate being considered for commercial plans could have similarly devastating financial impacts for consumers in the commercial insurance market.

Harvard Pilgrim appreciates the opportunity to provide comments on LD 627. For the reasons described above, we respectfully urge you find LD 627 Ought Not to Pass. Should you have any questions, please contact me at any time.

Sincerely,

² J.P. Morgan Global Research - The increase in appetite for obesity drugs
<https://www.jpmorgan.com/insights/global-research/current-events/obesity-drugs>

³ ICER - Obesity Management: An assessment of subcutaneous semaglutide, phentermine/topiramate, and naltrexone/bupropion
<https://icer.org/assessment/obesity-management-2022/>

⁴ Congressional Budget Office - A Call for New Research in the Area of Obesity <https://www.cbo.gov/publication/59590>

⁵ North Carolina State Health Plan Statement Regarding GLP-1 Coverage <https://www.shpnc.org/blog/2024/03/07/statement-regarding-glp-1-coverage>

⁶ Massachusetts Division of Insurance Filing Guidance Notice 2025-H Coverage of GLP-1 Drugs <https://www.mass.gov/doc/filing-guidance-notice-2025-h-coverage-of-glp-1-drugs/download>

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