



## Testimony in Opposition to

### LD 627, An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication

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Senator Bailey, Representative Gramlich and distinguished members of the Health Coverage, Insurance and Financial Services Committee, my name is Kim Cook and I am an attorney with Government Strategies, testifying in opposition to LD 627 on behalf of Community Health Options. Community Health Options is Maine's nonprofit CO-OP health insurance company and exists for the benefit of its Members and its mission which is to provide affordable, high-quality benefits that promote health and wellbeing.

Currently, we provide coverage for multiple GLP-1 medications for the purposes of treating type 2 diabetes. In 2024, GLP-1 drugs represented 7.6% of the overall cost of prescription drugs covered under our pharmacy benefit. Three GLP-1 medications, Mounjaro, Ozempic, and Trulicity, were on our list of the top 15 costliest drugs to the plan in 2024. In 2024, Health Options spent 177% more on Mounjaro and 60% more on Ozempic than in 2023. Based on a recently completed trend forecast, the amount we spend on GLP-1 medications on a per-member-per-month basis is likely to continue increasing in 2025 and 2026 even under existing coverage parameters. Medications treating diabetes continue to be the most expensive non-specialty therapy class of drugs we cover.

Our experience is not unique among health insurers. A recent article published by the Peterson Center on Healthcare and KFF noted that growing demand for GLP-1 drugs "is having an upward effect on prescription drug spending" and that multiple insurers specifically stated in their 2025 rate filings that these drugs contributed to premium increases<sup>1</sup>. **Based on our claims experience in 2023 and 2024 and projected costs associated with coverage of GLP-1 drugs for type 2 diabetes in the coming years, we have profound concerns about the cost implications of a new mandate to cover GLP-1 drugs for weight loss and other indications.**

According to another recent study published by the Peterson Center on Healthcare and KFF, 42% of adults under 65 with private insurance could be eligible for GLP-1 drugs, based on current Food and Drug Administration (FDA) indications<sup>2</sup>. The same article notes that "non-elderly adults who are obese make up the largest share of those clinically eligible in the private



insurance market". Although those are national figures, data provided by the State of Maine indicates, "65.6% of Maine adults having overweight and obesity, with overweight at 34.6% and obesity at 31.0%."<sup>3</sup> This data suggests there could be significant utilization of GLP-1 drugs for weight loss. In addition to weight loss, this bill requires coverage for all GLP-1 prescriptions, regardless of whether the prescription is written for an approved or off-label treatment.

In addition to imposing a new and very broad coverage mandate, LD 627 would also prohibit insurers from implementing a prior authorization program to ensure the use of GLP-1 prescriptions aligns with evidence-based guidelines and best practices. LD 627 would mandate coverage of GLP-1 drugs, whether or not they are on an insurer's formulary, and regardless of whether the prescription is for an off-label use. In addition, the bill limits cost sharing to \$35 per 30-day supply, thereby pushing the cost of the mandated coverage into premiums across the market or health plan enrollees. The provisions of this bill, taken together, would result in astronomical costs and premium increases in the state-regulated health insurance market.

We appreciate your consideration of our testimony in opposition to LD 627. Requiring coverage of GLP-1 medications for all purposes, prohibiting an insurer's ability to evaluate the medical necessity of prescriptions, and capping prescription cost sharing will result in a significant increase in utilization and unsustainable premium increases. Due to the increases in premium resulting from the coverage mandated by this bill, state-regulated health insurance could become inaccessible for Maine people.

<sup>1</sup> "How much and why ACA Marketplace premiums are going up in 2025" available at <https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2025/>

<sup>2</sup> "How many adults with private health insurance could use GLP-1 drugs" available at <https://www.healthsystemtracker.org/brief/how-many-adults-with-private-health-insurance-could-use-glp-1-drugs/>

<sup>3</sup> "Obesity-Associated Cancers Summary Brief 2022" available at [www.maine.gov/dhhs/mecdc/population-health/ccd/documents/1.%20Obesity-Associated%20Cancers%20Summary%20Brief%202022.pdf](http://www.maine.gov/dhhs/mecdc/population-health/ccd/documents/1.%20Obesity-Associated%20Cancers%20Summary%20Brief%202022.pdf)