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Testimony in Opposition to LD 627- An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication

Joint Standing Committee on Health Coverage, Insurance, and Financial Services
March 20, 2025

Senator Bailey, Representative Gramlich and members of the Committee on Health Coverage, Insurance, and Financial Services,

My name is Eamonn Dundon, and I serve as the Director of Advocacy of the Portland Regional Chamber of Commerce. Our organization represents 1,300 businesses in our region, collectively employing over 75,000 Mainers. Today, we submit this written testimony in strong opposition to LD 627, which would impose a new mandate on the commercial health insurance market at a time when both employers and employees are struggling with high healthcare costs.

There is no doubt that GLP-1 receptor agonists offer promising benefits for individuals with diabetes, obesity, and other diagnoses. However, this legislation is not about the effectiveness of a particular medication; it is about whether the Legislature should intervene in private business decisions by requiring employer-sponsored health insurance to cover specific treatments. Premiums for employer-sponsored healthcare have already increased by 30% from 2018 to 2023, with additional double-digit increases in 2024 and 2025. Now is not the time to further inflate costs artificially.

Our members consistently report that healthcare costs are unsustainable at their current rate of growth. Mandating GLP-1 coverage would add significantly to the financial burden shared by both employers and employees. Data from the Healthcare Purchasers Alliance indicates that covering GLP-1s for weight loss leads to a surge in utilization of these high-cost medications. Estimates suggest that if this proposal moves forward, healthcare premiums could rise by approximately 12%—a staggering and unsustainable increase in an environment already strained by healthcare mandates and regulatory changes.

Critically, claims that improved health outcomes will offset these costs do not hold up under scrutiny. The Congressional Budget Office estimates that even after nine years of coverage, only 14% of GLP-1 costs would be offset by savings from improved health outcomes. Additionally, while rebates may help mitigate expenses, they have limits. Even with maximum rebate application, employers would still face an estimated \$1,5000 increase in annual health insurance costs per employee.

Notably, no other state in the nation has mandated commercial market coverage of GLP-1s for weight loss. Maine's small businesses and employees should not be forced to bear the financial risks of this untested and costly policy.

We thank you for your time and commitment to all Mainers, and we respectfully urge you to reject this proposal. Thank you.