

Janet T. Mills
Governor

Sara Gagné-Holmes
Commissioner



Maine Department of Health and Human Services
Office of MaineCare Services
11 State House Station
Augusta, Maine 04333-0011
Tel; (207) 287-2674; Fax (207) 287-2675
TTY: Dial 711 (Maine Relay)

Testimony of the Maine Center for Disease Control
Maine Department of Health and Human Services

Before the Joint Standing Committee on Health and Human Services

In opposition to LD 480, *An Act to Support Healthy Weight by Providing MaineCare Coverage for Certain Weight Loss Medications*

Sponsor: Representative Graham
Hearing Date: March 4, 2025

Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services, my name is Courtney Pladsen and I serve as the Medical Director of the Office of MaineCare Services in the Maine Department of Health and Human Services. I am here today to testify in opposition of LD 480, *An Act to Support Healthy Weight by Providing MaineCare Coverage for Certain Weight Loss Medications*.

This bill seeks to require the Department of Health and Human Services (the “Department”) to provide reimbursement under the MaineCare program for glucagon-like peptide-1 receptor agonists, referred to as GLP-1s, approved by the federal Food and Drug Administration (FDA) for the treatment of obesity. The bill requires the Department to restrict reimbursement to medications prescribed by a primary care provider or a bariatric specialist and requires prior authorization of the medication.

GLP-1s have been shown to be effective in treating several chronic conditions and show promise in addressing others. Current FDA-approved uses include treatment of diabetes, sleep apnea, chronic kidney disease, and obesity. MaineCare is required by federal law today to cover most FDA-approved drugs and already covers GLP-1s for the treatment of diabetes; as required by federal law, MaineCare also plans to cover the newly FDA-approved uses for the treatment of sleep apnea and chronic kidney disease. In the next year, three additional indications will likely receive FDA approval, including Congestive Heart Failure, Metabolic-Dysfunction Associated Steatohepatitis, and Alzheimer’s. MaineCare will then cover GLP-1s for these indications as required by federal law.

However, coverage of FDA-approved drugs for treatment of obesity is currently an optional Medicaid benefit under federal law, and as of today, only 13 states have implemented this coverage. The Department has invested significant time exploring the use and coverage of GLP-1s for treatment of obesity under the MaineCare program. Our conclusion is that the cost of adding this coverage is prohibitive: after applying eligible drug rebates, the Department estimates coverage of GLP-1s for the treatment of obesity would cost over \$42 million in State Fiscal Year (SFY) 2026 and \$53 million in SFY 2027; general funds would make up \$14.5

million and \$18.4 million of these totals respectively. These estimates are consistent with information from the National Association of Medicaid Directors (NAMD), which noted that at least one state has reported \$15 million in Medicaid expenses in a single fiscal quarter. Requiring MaineCare to cover GLP-1s for treating obesity would have a significant fiscal impact; this is untenable given MaineCare's current budget shortfall.

Studies have found that most individuals using GLP-1s for treatment of obesity did not stay on their prescribed treatment for the recommended minimum of 12 weeks, suggesting that they were unlikely to achieve clinically meaningful weight loss. Patients who were prescribed GLP-1s by providers with expertise in weight management and obesity, like endocrinologists and obesity specialists were more likely to complete 12 weeks of treatment. Primary care providers often do not have the training or resources to support patients with the necessary lifestyle modification education to prevent weight gain after discontinuing a GLP-1. A randomized placebo-controlled study evaluated the use of GLP-1s alone vs GLP-1s paired with an exercise program. A year after discontinuing the GLP-1s, individuals who were treated with medication alone regained on average 20 pounds, compared to only five pounds in the group who were also treated with an exercise program. The Department anticipates the coverage of GLP-1s will result in an increased demand for endocrinologists and obesity specialists, both a limited specialty type in Maine.

Finally, there is significant administrative expense associated with adding this coverage. This includes the cost and effort of establishing and implementing prior authorization policies and procedures and ensuring appropriate related staffing; pharmacy benefit system configurations to accommodate new reimbursement; and additional staff support to meet expected increased demands of MaineCare's Pharmacy Help Desk as members inquire about coverage. The Department would also need to request necessary state plan amendments from the Centers for Medicare & Medicaid Services and adopt routine technical rules upon federal approval. NAMD has estimated that implementing coverage of GLP-1s for the treatment of obesity would require at least two years for most states.

While the Department will continue to cover the use of GLP-1s for the treatment of diabetes, sleep apnea, and chronic kidney disease, and any new federally required indications, the Department believes reimbursement of GLP-1s for the purpose of treating obesity is not warranted at this time. To realize the full benefits of GLP-1s for both individuals and for the broader population health, other changes in our healthcare system are necessary. Adding coverage to these drugs alone, without strengthening the provider network for endocrinologists and obesity specialists and without improving access to nutrition education and exercise programming, will not improve health outcomes or produce cost savings.

Thank you for your time and attention. Considering the intricate nuances of GLP-1 drugs and the Department's extensive work to evaluate appropriate use, I appreciate this opportunity to provide clarifying information to the committee. I would be happy to answer any questions you may have and to make myself available for questions at the work session.