



March 20, 2025

**TO: Joint Standing Committee on Health Coverage, Insurance & Financial Services**

**RE: MEA Benefits Trust's Opposition to LD 627 An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication**

*Testimony of Jennifer Kent, Executive Director of the Maine Education Association Benefits Trust*

Greetings Senator Bailey, Representative Gramlich and members of the Committee on Health Coverage, Insurance & Financial Services. My name is Jennifer Kent, and I am the Executive Director of the Maine Education Association Benefits Trust (MEABT), a not-for-profit employee welfare benefit plan dedicated to the health of Maine public school employees and their families. Our plan offers health insurance to approximately 68,000 active and retired educators, administrators, support staff and their dependents in the K-12 schools throughout Maine.

I'm here today to testify in opposition of LD 627. The MEABT is committed to providing our members with the best health and wellness plans at affordable rates. The Trust currently provides benefits for GLP-1 medications for members with Type 2 diabetes and certain cardiac conditions where there is strong clinical evidence of better health outcomes. Even with these utilization management guardrails, Ozempic is currently ranked number three on our top 10 drug list from a per member per month cost basis and has seen a 48.9% trend increase since calendar year 2023.

The Trust's benefit plans exclude coverage for medications used for weight loss, and while there are theoretical savings for members with higher BMI levels, there is a lack of established, peer-reviewed clinical studies demonstrating the value of these medications when compared to the long-term implications of this weight loss treatment. Based on conservative estimates, the passing of LD 627 would increase the Trust's total premium by an estimated \$67.7M which equates to an additional 10.7% in premium dollars based on our July 1, 2025 renewal. Stated another way, if LD 627 was in effect today, the rates that the Trust will be putting into effect on July 1, 2025, would need to be 10.7% higher – this, at a time when other trend drivers are already causing a double-digit rate increase for a significant number of school districts in the State. In fact, mandatory coverage of weight-loss medications could cause some school districts to receive a 20% or higher rate increase this July. Any increase in the MEABT rates will also have an impact on the State budget because the State's contribution (currently 60%) for non-Medicare retirees is calculated based on the premiums charged to the active participants.

The Trust also finds it concerning that LD 627 appears to offer preferential treatment to weight loss medications as compared to other prescription drugs used to treat conditions such as cancer, multiple sclerosis, rheumatoid arthritis and inflammatory bowel disease by limiting member cost shares and not requiring any type of prior authorizations or step therapy edits. The preferential treatment and coverage of these medications will be a hardship and come at the expense of all plan members.

Mandating coverage for any type of service has a financial impact to all fully insured commercial plans, and these mandates should not be looked at singularly, or even within the same legislative session, given that mandates implemented last year have not yet been fully realized in the claims experience this year.

Furthermore, I urge you to also consider of the following:

- Our country and state are experiencing times of great uncertainty with potential cuts to Medicaid which will undoubtedly require hospitals to shift even more costs to commercial plans, thereby adding to our increasing costs.
- There is also great uncertainty about the future availability of federal subsidies to schools and the potential negative impact this will have on school budgets.
- The ever-increasing costs of providing comprehensive health coverage is putting an unbearable financial strain on school employees who are already underpaid.

The Trust has worked hard over the years to keep increases in medical premiums as low as possible for our members, the school districts, and the taxpayers. If LD 627 is passed as currently written or even with modifications, we will be forced to raise premiums and look at additional plan design changes to offset the negative impact to premiums, resulting in additional cost shifting to plan participants through higher deductibles, higher coinsurance, and/or increases to medical and pharmacy copays for everyone.

Thank you for the opportunity to provide the MEA Benefits Trust's feedback. I'd be happy to answer any questions the committee may have and may be reached via email at [jkent@meabt.org](mailto:jkent@meabt.org) or by phone at 207-650-3552.