MAINE MUNICIPAL
EMPLOYEES HEALTH TRUST
60 Community Drive | Augusta, ME 04330-9486

March 20, 2025

Senator Donna Bailey
Representative Lori Gramlich
Members of the Committee on Health Coverage, Insurance and Financial Services

Dear Senator Bailey, Representative Gramlich, and Members of the Committee:

On behalf of the Maine Municipal Employees Health Trust, I am providing testimony in **opposition** to ***LD 627***, *An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication*, which would mandate coverage of GLP-1 medications for both diabetes and weight loss. This bill is unaffordable for our members.

The Maine Municipal Employees Health Trust (the "Trust") was founded in 1983 with the goal of containing healthcare costs while maintaining quality benefit programs and providing superior service. The Trust is a non-profit, self-insured organization, governed by Trust participants. At the present time, over 480 Maine municipalities, counties, and quasi-municipal organizations participate in one or more of the Health Trust's medical plans. This represents just under 20,000 employees, retirees, and dependents, located in every county in Maine.

Maine employers – including municipalities - are already facing substantial increases in health premiums and costs in recent years. For example, in 2025 the Board of Trustees was obligated to pass along an average premium increase of 9%, which was largely driven by escalating pharmacy costs, which have increased by an average of 14.5% annually for the last five years.

GLP-1 drugs are highly effective for controlling diabetes and show promise for addressing obesity. However, there are very limited long-term studies as to the extent that resulting health improvements would offset the cost of covering the drugs for weight loss. Studies which have been published, including one from the Congressional Budget Office, project that any improvements in health will not offset the costs of taking these medications for many years.

Currently, the Health Trust covers GLP-1 medications for members who have diabetes, or other clinically approved conditions such as advanced heart disease. Despite the lack of coverage for weight loss, we have seen utilization of these medications increase by 265% since 2020. While we believe these drugs can reduce obesity, given the rapid uptake and high cost, it is just not financially tenable right now.

The average price of GLP-1 medications for weight loss is approximately $1,290 for a 30-day prescription, or $15,695 annually (excluding pharmacy rebates). According to the FDA's criteria, approximately 38 percent of commercially insured adults nationwide would be eligible for use of GLP-1s for weight loss. Using conservative utilization estimates, our actuaries estimate that the Health Trust would need to increase premiums by 11.1% for all members due to this mandate, prior to unpredictable rebates. Using the best estimates of currently available rebates this would be offset some, however the necessary increase would still be 7.5%. This is on top of any additional annual increases needed due to medical inflation.

For a small municipality with less than 50 employees, offering the Trust's most popular plan, the increase (with rebate impact included) represents an increase of $1,291 a year per employee. Maine's municipal employers and taxpayers are not able to absorb these increased costs. Expanding coverage for GLP-1s would necessitate increasing member costs significantly, cutting coverage in other areas, or some combination of both.

We are also concerned about LD 627's provisions that would cap cost shares at $35 and make it difficult for plan sponsors to manage utilization of GLP-1s. The bill appears to prohibit any sort of prior authorization processes, such as requiring members to meet with a dietician or participate in a weight loss program. Further, the bill does not reference FDA eligibility guidelines, which suggests that any member with a prescription, regardless of their weight, would be entitled to coverage.

This cost of this mandate bill is substantial and we believe it is unaffordable. The higher premium costs would be borne directly by all participating members and their municipal employers, and consequently by property taxpayers.

We encourage you to vote **Ought Not To Pass** on this legislation.

Thank you for your consideration.

Sincerely,

Kristina A. Gould

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