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Before the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

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

Sen. Bailey, Rep. Gramlich, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. Thank you for the opportunity to testify in opposition to LD 627, "An Act to Require Insurance Coverage for Glucagon-like Peptide-1 (GLP-1) Receptor Agonist Medication." While I appreciate the intent of ensuring access to healthcare, this bill raises significant concerns regarding cost, unintended consequences, and the broader impact on Maine's healthcare system and state budget.

Lack of Guardrails and Overly Broad Coverage

LD 627 mandates coverage for all FDA-approved GLP-1 medications prescribed by a healthcare provider, regardless of medical necessity. Notably, the bill does not require that an individual meet a minimum Body Mass Index (BMI) or have a specific medical condition such as diabetes or obesity. This lack of eligibility creates the potential for widespread utilization without appropriate medical oversight, further driving up costs without ensuring that these expensive medications are used for their intended, evidence-based purposes.

Prohibition of Prior Authorization Jeopardizes Cost Control and Patient Safety

The bill explicitly prohibits insurers from requiring **prior authorization** for GLP-1 medications. Prior authorization is an essential tool in ensuring that prescription drugs are used appropriately, effectively, and in a cost-conscious manner. Eliminating this safeguard removes an important layer of oversight, increasing the risk of overprescription and unnecessary use. This, in turn, could result in excessive costs borne by insurers, employers, and ultimately, Maine consumers through higher premiums.

Substantial Cost Implications for Individuals and Employers

Capping out-of-pocket costs at $35 per 30-day supply may appear to benefit consumers in the short term, but in reality, it will shift the financial burden onto insurers and employers, leading to **higher premiums for all policyholders**. Given that GLP-1 drugs currently cost between **$1,000 and $1,500 per month per patient**, the financial impact will be significant. As utilization surges, insurance companies will have no choice but to pass these costs on to businesses and individuals through increased health plan premiums.

State Budget Concerns

LD 627 constitutes a **new mandated benefit**, which under the Affordable Care Act (ACA) requires the state to **defray the increased subsidy costs in the individual market**. This will create a **substantial financial burden** for Maine taxpayers, diverting state resources away from other essential healthcare services and programs. Given current fiscal challenges, imposing an expensive new mandate is fiscally irresponsible.

Conclusion

While increasing access to effective medical treatments is a laudable goal, **LD 627 lacks critical cost-control measures, imposes excessive financial burdens on both private insurers and the state budget, and removes necessary safeguards such as prior authorization**. I urge the committee to **reject this bill** or, at a minimum, amend it to incorporate necessary guardrails, cost-mitigation strategies, and clearer eligibility requirements to ensure responsible implementation.

Thank you for your time and consideration. I am happy to answer any questions.