Anthem

**Testimony of Anthem Blue Cross and Blue Shield**

**In Opposition to L.D. 627,**

**"An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication"**

**March 20, 2025**

Good afternoon, Senator Bailey, Representative Gramlich, and Members of the Health Coverage, Insurance, and Financial Services Committee. My name is Kristine Ossenfort, and I am the Senior Government Relations Director for Anthem Blue Cross and Blue Shield in South Portland, Maine. I appear before you this afternoon to testify in opposition to ***L.D. 627, "An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication."***

L.D. 627 is well intended; however, for the reasons set forth in my testimony, we are strongly opposed to this legislation and urge you to vote "ought not to pass."

1. ***L.D. 627 is extremely broad.*** It would require coverage of GLP-1 drugs, regardless of the purpose for which they are to be used, so long as the individual obtains a prescription. There are no minimum BMI requirements--individuals who may be seeking to lose weight but who are not considered obese would be able to have these very expensive drugs covered, perhaps without having tried other more traditional approaches such as diet and exercise, so long as they get a prescription from a provider.

   Furthermore, coverage would not be limited to GLP-1 drugs used for weight loss, or even for FDA approved uses—it could be for experimental uses such as treatment for Parkinson's Disease or Alzheimer's. As drafted, L.D. 627 would require that a GLP-1 drug be covered regardless of the purpose, so long as the member has been able to obtain a prescription.

2. ***Prior Authorization is prohibited.*** Prior authorization of these drugs is very important in helping not only to control costs but to ensure appropriate utilization:

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- There is a high risk of clinically inappropriate over-use of GLP1 drugs, particularly given the breadth of this proposal.
- Evidence based prior authorization helps to ensure clinically appropriate use of GLP-1 drugs, particularly since the long-term effects of these drugs are not yet known.
- Prior authorization protects access to the drugs for those who need them (helping to prevent shortages and helps keep healthcare affordable).
- Protects members from potential harm, particularly since the long-term effects of these drugs are not yet known.
- Reduces excess use and waste in a population where there are no studies and no evidence of clinical benefit.
- Reduces unnecessary exposure to adverse effects (nausea, vomiting, diarrhea, constipation, gastrointestinal, gastroparesis, pancreatitis, gallbladder problems).

3. ***Cost sharing is limited to $35 for 30-day supply.*** GLP-1 drugs cost approximately $1,225 for a 30-day supply, or nearly $15,000 annually. Capping the cost-sharing at $35 for a 30-day supply may force higher out of pocket costs for other services.

4. ***Estimated cost.*** We estimate that the costs of L.D. 627 are as follows:
   - $83.74 per member per month ("PMPM") before rebates and $55.83 after rebates, assuming rebates continue as currently structured, and these drugs are used by 8% of the population.
   - $98.76 per member per month before rebates and $65.84 per member per month after rebates, assuming rebates continue as currently structured, and these drugs are used by 10% of the population.

   As noted, these estimates are conservative and assume utilization by 8% and 10% of members, respectively; however, the Center for Disease Control estimates that 32.6% of Maine's population is considered obese.[1]

   Recently, insurers in Massachusetts have needed significant premium increases due in large part to the coverage of GLP-1 medications. Blue Cross and Blue Shield of Massachusetts, which is not an Anthem plan, indicated that GLP-1 drugs represent about 20% of its pharmacy spend and reported that spending on five GLP-1 drugs (Ozempic, Mounjaro, Wegovy, Zepbound, and Saxenda), exceeded $300 million last year, more than double what was spent in 2023.

[1] https://www.cdc.gov/obesity/data-and-statistics/adult-obesity-prevalence-maps.html

5. ***Evidence doesn't support long-term avoided costs.*** The research to date does not support the theory that the use of GLP-1 medications for weight loss results in avoided cost at a future point in time. While there are some low-quality studies that suggest there are potential cost benefits of GLP-1 agonists in specific high-risk populations, the broader evidence does not consistently support significant cost savings, highlighting the need for further research to validate these findings across different populations and time frames.

6. ***This mandate would not apply to most Mainers.*** As this Committee is aware, this bill would only apply to a small segment of Maine's population—it would not impact those covered by Medicaid, Medicare, or self-funded plans that are exempt under ERISA. In fact, the Health and Human Services Committee recently voted a similar proposal for the MaineCare program (L.D. 480) "ought not to pass."

7. ***This is a mandate subject to defrayal.*** Because L.D. 627 proposes to enact a new mandated benefit, the State will be required to defray the increased subsidy costs in the individual market as required by the Affordable Care Act.

8. ***If Committee is interested in pursuing, must be sent to BOI for mandate study.*** As this Committee is aware, any proposed new mandate must be sent to the Bureau of Insurance for a mandated benefit review, pursuant to 24-A M.R.S.A. § 2752.

9. ***Continually increasing costs from new mandates drives more employers to self-insure.*** As the Committee is aware, state mandated benefits do not apply to self-funded plans that are not subject to state regulation under ERISA. Further increasing the cost of fully insured plans drives more and more employers, even small employers, to self-insure thus taking the plans outside the jurisdiction of the Bureau of Insurance. Alternatively, they may stop offering health insurance to their employees altogether.

10. ***Inappropriate to direct BOI to undertake educational campaign.*** While the Bureau of Insurance certainly has a role in educating consumers, it is unclear why this particular benefit would be singled out for promotion by the Bureau. Furthermore, it seems unnecessary as the manufacturers of GLP-1 drugs will undoubtedly target Maine with advertising if this mandate were to pass.

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While this legislation is well-intended, it is simply too expensive, and the long-term value is unproven. If someone can't afford to purchase health insurance coverage, it doesn't matter what benefits are covered under a plan. We strongly urge you to vote "ought not to pass" on L.D. 627. Thank you, and I would be happy to answer any questions you may have either now or at your work session.