



To: Maine Municipal Association Legislative Policy Committee
From: Kristy Gould, Director of Health Trust Services
Date: February 26, 2025
Re: LD 627

For the Committee's consideration, I am sharing concerns with LD 627, *An Act to Require Insurance Coverage for Glucagon-like Peptide-1 Receptor Agonist Medication* (sponsored by Rep. Holly Stover; D-Boothbay), which would mandate coverage of GLP-1 medications for both diabetes and weight loss. This mandate would apply to all Maine fully-insured plans, as well as to the Health Trust. **The Health Trust will be submitting testimony opposing this bill, on the basis that it is unaffordable for our members.**

Maine employers – including municipalities - are already facing substantial increases in health premiums and costs in recent years. For example, the Health Trust is a non-profit, self-insured program. The Board of Trustees was obligated to pass along an average premium increase of 9% for 2025, largely due to escalating costs of large medical claims, and especially pharmacy costs, which increased by 21% in 2023.

GLP-1 drugs such as Ozempic, Mojourn, Zepbound and Wegovy have received a great deal of attention in the press and social media in the past few years. These drugs are highly effective for controlling diabetes and show promise for addressing obesity. However, there are some concerning side effects, and there are no long-term studies as to their efficacy or return on investment for weight loss. Studies which have been published have shown that patients regain most or all of the weight lost when they stop taking the drugs, and project that any improvements in health will not offset the costs of taking these medications for many years.

The Health Trust covers GLP-1 medications for members who have diabetes, or other clinically approved conditions such as advanced heart disease. They are not currently covered for weight loss alone. Despite this, utilization has increased by 265% since 2020. We have been monitoring closely clinical advancements in this drug classification and will consider adding some coverage for weight loss in the future – when and if the cost / benefits analysis warrants this coverage.

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). Approximately 38 percent of commercially insured adults nationwide meet the FDA's eligibility criteria for use of GLP-1s for weight loss, and we estimate that if just 10 percent of our plan's adult population was to use a GLP-1 for weight loss (about one quarter of those who are eligible) the Health Trust would need to increase premiums by **10 – 12%** for all members. This is on top of any additional annual increases needed due to medical inflation.

LD 627 would mandate GLP-1 coverage for both diabetes and weight loss. In addition, the bill includes provisions that would make it difficult for plan sponsors to manage utilization of GLP-1s. It would cap member cost sharing at \$35 per month and appears to also 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 participating members and municipal employers, and consequently by property taxpayers.