

Department of Vermont Health Access

S.164: An act relating to health insurance coverage for obesity care

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According to the Vermont Department of Health's Behavioral Risk Factor Surveillance System Report for 2022:

- Over one quarter (**27%**) of adult Vermonters live with obesity.
- Over one third (**35%**) are overweight.
- We anticipate a similar (or higher) percentage of Medicaid members being eligible for coverage.

What approaches are currently available to Medicaid members?

- Bariatric Surgery
- VT Dept. of Health Programs

What's not covered?

- Medications
- Comprehensive Lifestyle Intervention Programs

Starting in 2023, DVHA's clinical and pharmacy teams, along with the Department's Chief Medical Officer, have convened a standing working group to examine the issue of Medicaid coverage for obesity medications.

The goal of this group is to **conduct cost-benefit analysis of weight loss treatment options for the Vermont Medicaid population**, to pave the way for personalized and sustainable solutions in obesity management

- Evaluation of national data to understand the broader context of obesity costs directly and indirectly.
- Examination of the prevalence and impact of obesity within the Vermont Medicaid population.
- Determination of:
 - The financial impact of obesity and related health conditions on the state of Vermont.
 - The financial impact of currently covered treatments for obesity and related health conditions on the state of Vermont.
 - The financial implications of providing coverage for currently non-covered treatments for obesity.

- Cost and benefit of GLP-1s and other medications.
 - Limitations and long-term concerns?
- Cost and benefit of Comprehensive Lifestyle Interventions.
 - Is this a viable option for Vermont?

- DVHA is not currently able to offer a position on S.164.
- DVHA is working on estimates for fiscal impact. We can provide preliminary estimates on the cost of coverage based on utilization.
- DVHA is moving quickly to expedite the work of the obesity medication working group, using our review boards (CURB and DURB) to assist in forming recommendations.

Preliminary Fiscal Estimate

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% Patient Uptake	Number of Members	Monthly Gross Cost (Approx.)	Annual Gross Cost (Approx.)
0.31% (first year)	156	\$200,000	\$2,400,000
0.87%	438	\$550,000	\$6,600,000
5% (steady state volume)	2,519	\$3,150,000	\$38,000,000
10% (estimated future uptake)	5,038	\$6,300,000	\$75,600,000

*Values reported as gross pharmaceutical costs based on WAC price. Net costs to DVHA may be lower based on federal and supplemental rebates.

Thank you!

For questions or follow-ups, please reach out to:

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