Department of Vermont Health Access

S.164: An act relating to health insurance coverage for obesity care
Testimony presented to the Senate Committee on Finance, January 24, 2024

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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?
Where do we stand now?

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

*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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