

### **Estimated Cost Related to Coverage of Weight Loss Medications**

	SFY 2026	SFY 2027
<b>Gross Cost*</b>	\$ 168,040,811	\$ 109,663,901
<b>Federal Share</b>	\$ 103,009,017	\$ 67,223,972
<b>State Share</b>	\$ 65,031,794	\$ 42,439,930

\* Rx costs with assumed rebates and assumed mitigation strategies detailed below

### **Assumptions**

- Estimated number of recipients is derived from claims with an obesity diagnosis and with dates of service in CY 2023.
- Effective date July 1, 2025. Assumes no lag in claims due to pharmacy billing practices; therefore, SFY 2026 reflects 12 months of costs.
- This estimated utilization is based on members who have had a diagnosis code indicating a BMI of 35 or greater but do not have Type 2 Diabetes or a history of a Major Adverse Cardiovascular Event (MACE)
- Estimate assumes that 40% of those without Diabetes or MACE would be prescribed a GLP-1 for weight loss. This is based on the data available from the state employee population.
- Rx cost per person per month is based on information from DHS management and the Pharmacy Unit based on CY 2024 rates. Additionally, certain classes of these drugs would only be prescribed to those with diabetes.
- This estimate does NOT include the supplemental rebates on these drugs (i.e., Zepbound, Saxenda, and Wegovy). A BMI criterion of 27+ would be required to receive supplemental rebates; however, the higher utilization would outweigh the benefits.
- Rebate percentage is based on rebates reported by the Department's Pharmacy Unit. It should be noted that current rebates on some of these medications are 100%, which may not continue in future years. Assumes a 6 month lag in rebates. Average rebates are as follows:

Weight Management Drugs:	46.9%
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- Estimate includes savings from averted complications related to obesity such as high blood pressure, coronary issues, etc. The estimated savings per member is based on a Medicare study. The resultant annual gross savings is estimated at approximately \$19,350,000.
- Estimate includes costs related to requiring 5 visits with a nutrition counselor. The resultant annual gross cost of this is estimated at approximately \$3,260,000.
- Does not include any potential costs related to systems changes and/or ASO administrative costs related to confirming completion of lifestyle interventions (e.g., registered dietician visits, diabetes prevention program, etc.)
- FFP of 61.3% is based on Federal Fund Codes found in the base data.