SANFORD HEALTH PLAN

Chairman Ruby and Members of the House Human Services Committee –

Good Morning, my name is Dylan Wheeler – Head of Government Affairs for Sanford Health Plan; testifying today in opposition to HB1452. As a general standing policy position, Sanford Health Plan opposes coverage mandates – this is due to a number of reasons. Primarily, coverage mandates inevitably lead to increased health insurance premiums – this is due to spreading the cost of the new coverage across the entire health insurance pool. In addition, coverage mandates take away from health plans adapting to consumer and market demands – if cost effectiveness, medical efficacy, and data supported – health plans react to new coverages. On the other hand, health plans may adopt a new coverage to compete in the market and draw new members – offering a distinct plan design and different benefits from a competitor. Coverage mandates take that incentive and innovation out of the market place.

Today, and recognize the bill before committee is limited to the NDPERS health plan, I wanted to address a number of concerns with the proposed coverage mandate for anti-obesity medications. We consistently talk about the rising cost of health care at the Capital – oftentimes specifically talking about the cost of prescription drugs. One of the most volatile, costly, and highly utilized prescription drug on the market today are GLP1 medications; for example, Mounjaro, Wegovy, Ozempic, etc. You may have seen advertisements on TV with a catchy slogan, or seen these endorsed on social media to support weight-loss. One big red flag on this bill is contained on Page 1, lines 21 through 24 and Page 2, lines 1-2. This language would require health plans to tell members in a "prominent position[]" that coverage of these medications is available. Health plans are not advertisers for big pharmaceutical companies – nor should they be. The pharmaceutical industry sees the financial upside of having coverage in a "prominent position" – hence the requirement found in this bill.

Finally, regarding the substance of the bill and some perspective on what this all means. First, this bill calls for coverage for chronic weight management in a patient with obesity. This section lacks clarity as to eligible population. By contrast, the North Dakota Insurance Department recently approved coverage in the ACA marketplace for weight-loss medications for morbid obesity (i.e. BMI of 40 or above). We contend that the decision to cover these in the ACA marketplace – like this very bill – was understudied, underpriced and premature. Consider an example from North Carolina, where, similar to this bill, the North Carolina Public Employees Health Plan started to cover these medications. However, by April, a mere 4 months into coverage, they ceased coverage – citing the astronomical cost and underestimated utilization of these medications. In addition, the clinical efficacy of these medications – both in the near and long term – is not clear. To the contrary, according to a recent study published in the journal JAMA – noted that nearly 30% of patients discontinued use of GLP1 medications, and – importantly, in the trial population, patients had a rapid increase in weight after discontinuing, and also developed worsening cardio metabolic parameters[1]. It seems like each month, there is a new study on the outcomes related to these medications or the FDA is considering a new indication for coverage.

Which leads to the final concern in the bill – Page 1, lines 14-15, require that a health plan cannot have more restrictive criteria than that of the FDA. While the substantive provisions of the bill call for treatment of chronic weight management, the FDA is exploring new clinical indications for these medications. This bill would be on a foundation to grow in terms of required coverage – not just for weight management.

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[1] *Khan SS, Ndumele CE, Kazi DS. Discontinuation of Glucagon-Like Peptide-1 Receptor Agonists. JAMA. 2025;333(2):113–114. doi:10.1001/jama.2024.22284*

In conclusion, the future of treatment for chronic disease – here, obesity – is on a upward trajectory, which is a great thing. However, pre-emptively covering weight-loss medications at a time when there is no generic competition, substantial financial risk, and lack of long-term empirical evidence, is a questionable approach.

We look forward to learning more about these medications, and how we can partner with employers, families, individuals, policymakers, and all others to take a holistic approach to weight management and consider the role of these medications as part of that equation.

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Head of Government Affairs

Sanford Health Plan

State Health Plan

FOR TEACHERS AND STATE EMPLOYEES

A Division of the Department of State Treasurer

MARCH 7, 2024

Statement Regarding GLP-1 Coverage

At the January 25, 2024, State Health Plan Board of Trustees, the board voted to remove GLP-1 and GIP-GLP-1 agonist medications from State Health Plan coverage for the purpose of weight loss effective April 1, 2024. These medications will still be covered for members managing diabetes. Read on for more information. Scroll to the bottom of this page for RFI Responses.

At the State Health Plan Board of Trustees meeting held on January 25, 2024 (/board-trustees-meeting-materials), the board voted to remove GLP-1 and GIP-GLP-1 agonist medications from State Health Plan coverage for the purpose of weight loss effective April 1, 2024. These medications will still be covered for members managing diabetes.

It is estimated that continuing to cover this class of medications for weight loss would result in a premium increase of $48.50 per subscriber per month, doubling the premium for all individual subscribers, even those not taking these medications.

The cost of these medications was projected to exceed $170 million in 2024, jumping to more than $1 billion over the next six years. This exceeds the amount the State Health Plan spends on cancer, rheumatoid arthritis, and chemotherapy medications.

Further, the State Health Plan faces a $4.2 billion budget gap over the next five years, and the recently enacted budget from the State Legislature funded the Plan by $240 million less than was requested over the next two years.

The State Health Plan simply can't afford these medications at the manufacturer's current price point. Maintaining the current benefit structure for these medications will significantly impair the State Health Plan's strategic financial goals, reduce its solvency for current and future members, and halt the State Health Plan's ability to lower member and family premiums.

Please note that the State Health Plan does cover other weight loss medications: Phentermine, Adipex-P, Orlistat, Qsymia, Benzphetamine, Diethylpropion, and Phendimetrazine and members are encouraged to discuss any change in medications with their provider.

State Health Plan members are encouraged to review all the information related to the recent board meetings on our website (/board-trustees-meeting-materials).

GLP-1 Request for Information

State Treasurer Dale R. Folwell, CPA, and the State Health Plan (Plan) issued a Request for Information (RFI) in April 2024 (https://www.nctreasurer.com/news/press-releases/2024/04/22/treasurer-folwell-and-state-health-plan-issue-request-information-glp-1-drugs), asking the public for help in lowering the cost of GLP-1 drugs for treating obesity. The RFI is the latest attempt by the Plan to find a way to provide these obesity medications for its members in a financially sustainable way. It is estimated that if the Plan's Board of Trustees had continued to cover this class of medications for weight loss it would result in a premium increase of $48.50 per subscriber per month, doubling the premium for all individual subscribers, even those not taking these medications. Currently, the Plan faces a $4.2 billion budget gap over the next five years. The most recently enacted budget from the state legislature funded the Plan by $240 million less than was requested over the budget period.

Treasurer Folwell's Request to the United States Department of Health and Human Services regarding the unaffordability of GLP-1s (/documents/folwell-request-usdhhs-glp1/download?attachment)

Below are the RFI responses the Plan received. The Plan is actively reviewing the responses.

RFI RESPONSES	
INFORMATIONAL RESPONSES	**RESPONSES**
• Alliance for Women's Health & Prevention (/media/3468/download?attachment) • Eli Lilly (/media/3470/download?attachment) • Public Citizen (/media/3473/download?attachment)	• Abacus Health Care (/media/3474/download?attachment) • AmventureX dba Biocoach (/media/3469/download?attachment) • Betr Health (William Ferro) (/betr-health-william-ferro/download?attachment) • Caremark PCS Health, LLC (/media/3475/download?attachment) • Castlight Health (/media/3476/download?attachment) • Compounding Doctors (Mark Anthony Bates) (/compounding-doctors-mark-anthony-bates/download?attachment) • CoreLife (/media/3537/download?attachment)

- Deloitte Consulting (/media/3478/download?attachment)
- Express Scripts (/media/3479/download?attachment)
- Form Health (/media/3471/download?attachment)
- Heuro Health (/media/3481/open)
- Intellihealth (/media/3480/download?attachment)
- MakoRX, OneFul Health Inc and Dooable Health (/media/3463/download?attachment)
- Revelation Pharma Corp 1a (/media/3536/download?attachment)
- Revelation Pharma Corp 1b (/media/3535/download?attachment)
- Sanjeevani Corporation (/media/3534/download?attachment)
- Signature RX (/media/3464/download?attachment)
- Switchbridge (/media/3466/download?attachment)
- TruDataRX (/media/3465/download?attachment)
- Virta Medical (/media/3477/download?attachment)

	• Waltz Health (/media/3467/download?attachment)