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November 14, 2023

ATTN: Members of the ALC-EMPLOYEE BENEFITS DIVISION OVERSIGHT SUBCOMMITTEE

Dear Co-Chairs Hickey and Pilkington and Vice-Chairs Caldwell and Richmond:

The Obesity Action Coalition (OAC) is pleased to provide the following comments regarding the upcoming November 15, 2023, meeting of the ALC-Employee Benefits Division Oversight Subcommittee -- specifically the Subcommittee's consideration of state employee health plan coverage for obesity care.

The OAC is the leading national non-profit dedicated to serving people living with obesity through awareness, support, education, and advocacy. Our vision is to create a society where all individuals are treated with respect and without discrimination or bias regardless of their size or weight. We strive for those affected by the disease of obesity to have the right to access safe and effective treatment options. And we educate all individuals to understand that when it comes to health, weight matters. OAC has a strong and growing membership of over 80,000 individuals living with obesity, across the United States and more than 1,150 members in Arkansas.

OAC truly appreciates the positive step that the Arkansas State Legislature took to expand coverage of bariatric surgery through passage of Act 109 – with the intent “to provide coverage for the diagnosis and treatment of morbid obesity.” This is a critical first step to ensure that state employees have access to all evidence-based treatment tools for obesity.

Obesity is a Chronic Disease

Obesity is driven by strong biology, not by choice. Obesity is a serious chronic disease that requires treatment and management just like diabetes, cancer, or high blood pressure. Obesity has been recognized as a disease by major medical organizations such as the American Medical Association, American Academy of Family Physicians, American Association of Clinical Endocrinologists, American Diabetes Association, American Heart Association, National Institutes of Health, and the World Health Organization.

Patients are Entitled to Care

AMA's recognition of obesity as a disease in 2013 was the catalyst behind numerous other organizations declaring support for patient access to and coverage for comprehensive obesity care, such as the National Council of Insurance Legislators, National Lieutenant Governors Association, National Hispanic Caucus of State Legislators, National Black Caucus of State Legislators, Veterans Administration, the Department of Defense, and the Federal Employees Health Benefits Program.

The Double Standard for Obesity Care

Despite the broad acceptance of obesity as a chronic disease and the recognition that patients deserve access to care, many policymakers continue to apply a double standard when evaluating coverage of obesity care – especially in the areas of utilization, cost, and return-on-investment (ROI).

Utilization

We know that obesity rates continue to rise with more than 42 percent of Americans affected by obesity nationwide – including more than 34 percent of Arkansans who currently struggle with this complex and chronic disease. Too often though, policymakers will extrapolate these rates into utilization figures for calculating potential costs should everyone affected suddenly seek care and access to treatment. In reality, only a small fraction of individuals with obesity actively seeks out treatment. Policymakers must refrain from using unrealistic utilization projections to deny coverage.

Cost

Policymakers will often apply unrealistic utilization numbers with the industry-posted list price for these GLP-1 medications as opposed to the net cost that the plan pays after rebates. A recent study by the American Enterprise Institute, entitled “Estimating the Cost of New Treatments for Diabetes and Obesity” found that, on average, the net price for one month of Ozempic is \$290 and \$701 for Wegovy as opposed to the list prices for these drugs of \$936 and \$1349, respectively.¹ And these prices will continue to decrease as evidenced by the \$1060 list price for Eli Lilly’s newly approved AOM Zepbound. We assume that this price competition will only accelerate given the many other AOMs that are in the FDA approval pipeline.

Return on Investment

As a nation, we must stop evaluating coverage of obesity care through a return-on-investment lens. What other chronic disease state is judged along these cost/benefit parameters? Would we be looking at ROI studies if we were talking about treating childhood cancer or heart disease? The goal of healthcare is not about saving money. It’s about improving the health and well-being of people.

Lifesaving Obesity Care

Policymakers can no longer ignore the lifesaving benefits associated with obesity treatment given the latest full results of the SELECT study that were just published in the New England Journal of Medicine, which show a 20 percent reduction in major adverse cardiovascular events. Continued denial of coverage of AOMs such as semaglutide will lead to more cardiovascular deaths, strokes, and heart attacks in people with obesity. This landmark study makes one thing unmistakable -- obesity is a chronic, treatable disease where effective treatment can save and transform lives.

With these data in hand, OAC believes the state legislature should act in the coming months to provide coverage for comprehensive obesity care – including FDA-approved AOMs. Again, we appreciate this opportunity to provide public comment on these critical issues. Should you have questions or need additional information, please contact our Policy Advisor, Chris Gallagher at chris@potomaccurrents.com. Thank you.

Sincerely



Joseph Nadglowski, Jr.
OAC President and CEO

¹ American Enterprise Institute. Estimating the Costs for New Treatment for Diabetes and Obesity. <https://www.aei.org/wp-content/uploads/2023/09/Estimating-the-Cost-of-New-Treatments-for-Diabetes-and-Obesity.pdf?x91208>