Obesity Groups Oppose Efforts to Eliminate Minnesota Medical Assistance Coverage for FDA-Approved Obesity Management Medications

March 17, 2026

The Obesity Action Coalition (OAC), The Obesity Society (TOS) and the American Society for Metabolic and Bariatric Surgery (ASMBS) strongly opposes HF 4142 – legislation introduced by Representative Nadeau, which would affect the Medicaid drug formulary managed by the Minnesota Department of Human Services by prohibiting coverage of prescription drugs used solely for weight loss.

Our organizations strongly support coverage of Food & Drug Administration (FDA) – approved obesity management medications (OMMs) in the context of comprehensive obesity care for Medicaid beneficiaries under Minnesota's Medical Assistance program. Improved access to obesity treatments that have been proven safe and effective, including nutrition counseling, behavioral and lifestyle interventions, FDA-approved obesity management medications, endo-bariatric procedures, and metabolic and bariatric surgery is critical to ensuring the health and productivity of all state residents.

The total cost of obesity in the United States is $1.7 trillion and healthcare costs are 34% higher for people with obesity. Maintaining access to obesity care will continue to help decrease the numerous illnesses and associated medical problems that plague Minnesota residents, while improving health outcomes and healthcare savings. In addition, continuing Medicaid coverage for FDA-approved obesity management medications will ensure that Medicaid beneficiaries who are affected by obesity have access to affordable, individualized medical coverage for science-based treatments in the same way other chronic diseases are managed, allowing them to be treated with dignity, respect, and equality that is offered to their peers.

We know that obesity disproportionately affects people of color and of lower socioeconomical status which are important factors that often determine access to health care. Disparities further exacerbate Minnesota obesity statistics and health outcomes with 35.6% of black and 34.6% of Hispanic state residents living with obesity compared to 33% of white residents. Persons with low incomes are more likely to be Medicaid recipients or uninsured, have poor-quality health care, and seek health care less often; when they do seek health care, it is more likely to be for an emergency.

A January 2026 study from the American Diabetes Association evaluated the clinical, economic, and social impacts of treating obesity among Medicaid adult beneficiaries. The study found that while medical savings offset only a portion of treatment costs, obesity interventions generate substantial social value through improved long-term health and productivity. These findings support expanded Medicaid coverage as a strategic investment in population health, demonstrating value that challenges conventional short-term, budget-focused coverage decisions that currently limit access to evidence-based obesity treatments for millions of adults. For these reasons, we find Representative's Nadeau's legislation to eliminate Medicaid coverage for GLP-1 medications penny wise and pound foolish.

Before moving to eliminate OMM coverage, we encourage Minnesota policymakers to consider many of the positive developments in GLP-1 pricing and access during the last six months that states can take advantage of to reduce their costs for Medicaid, including:

- The Center for Medicare and Medicaid Innovation BALANCE model that will allow Medicaid programs (that opt in) to purchase these GLP-1 medications at a monthly cost of $245 as early as May 2026.
- Pharmaceutical manufacturers have publicly announced their willingness to negotiate directly with states for their employee health plans.
- Finally, the market has already experienced downward price pressure throughout the past several months.

Treating Obesity is Good Public Policy

Throughout the last 5 years, there have been numerous studies and reports issued on the cost effectiveness of providing coverage for obesity treatment – with the most recent being the release of the October 29, 2025, Institute for Clinical and Economic Review (ICER) Evidence Report assessing the comparative clinical effectiveness and value of semaglutide and tirzepatide. ICER found all three medications to be highly cost-effective at conventional thresholds with incremental cost-effectiveness ratios estimated at $53,400 per quality-adjusted life year gained for tirzepatide, $61,400 for injectable semaglutide, and $69,300 for oral semaglutide.

Another example is the October 2025 report from Global Data, entitled the "Economic Benefits of Obesity Treatment," which assessed previous literature findings on the value of obesity treatments to help policymakers be better informed regarding coverage and policy decisions. This included 31 studies (2012–2025) on the economic value of four major interventions -- lifestyle programs, first-generation medications, modern medications, and metabolic and bariatric surgery. The report's key take away was that investing in effective obesity treatments not only improves health outcomes and quality of life but also delivers meaningful savings. The estimated annual medical savings (adjusted to 2025 dollars; varies by insurance type) would be as follows: $200-$1,220 for lifestyle programs and first-gen medications; $760-$4,720 for modern medications; and $940-$5,830 for metabolic and bariatric surgery.

The University of Southern California Schaeffer Center study (2023) on the "Benefits of Medicare Coverage for Weight Loss Drugs" found that treating obesity can reduce diabetes (-8.9%), hypertension (-2.3%), heart disease (-2.6%), cancer (-1.3%), and disability (- 4.7%) over 10 years in private insurance coverage and Medicare. These results would also likely apply to state Medicaid programs.

In addition, a recent AON study of 139,000 U.S. employees revealed that patients treated with GLP-1 medications experienced a 7% lower medical cost trend by year two compared to similar patients who did not receive treatment for their obesity. In contrast, the untreated group saw their medical cost trend rise to 14%. This is a 50% reduction in health care spending for patients taking obesity management medications. Most notably, GLP-1 use led to a greater than 40% reduction in major adverse cardiac events such as heart attacks and strokes and significantly reduced the incidence of diabetes—outcomes that directly benefit both patient lives and the state's healthcare expenditures. The study was so impactful that the benefits consulting firm started a program to cover these obesity management medications for their own employees.

The goal of healthcare is not simply to save money, but to improve the health and quality of life of people. Current Minnesota Medical Assistance coverage for obesity management medications as part of a comprehensive obesity care plan meet these goals. Therefore, we strongly urge the legislature to oppose HF 4142, which would hold obesity care to a different standard than other medical conditions when it comes to insurance coverage.

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