



April 8, 2026

Honorable Louis P. DiPalma, Chairman Senate Finance Committee
82 Smith Street
Providence, RI 02903

Eli Lilly and Company

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Dear Chairman DiPalma,

We are writing to respectfully oppose the 2027 budget proposal to eliminate coverage of FDA-approved obesity management medications (OMMs) in Rhode Island Medicaid. Eliminating coverage for OMMs would forego estimated potential savings of up to \$3.6 billion in avoided medical costs over the next 10 years.¹ With 31% of Rhode Island adults having obesity—costing the state \$1.7 billion in reduced economic activity annually^{2,3}—Rhode Island faces a significant public health challenge.

Eli Lilly and Company (Lilly) is one of the world's leading innovation-driven, research-based pharmaceutical and biotechnology corporations. On November 6, 2025, Lilly announced a voluntary agreement with the U.S. government that significantly expands access to our obesity medicines, reduces out-of-pocket costs, and brings greater transparency to the U.S. health care system.⁴ This agreement demonstrates that affordability and innovation can coexist—protecting patient access, sustaining incentives for future breakthroughs, and supporting long-term economic sustainability. Lilly's longstanding commitment to partnering with policymakers to improve access to life-changing medicines continues to guide our efforts to address the obesity epidemic in Rhode Island and across the country.

Obesity Costs Rhode Island \$1.7 Billion Annually—and the Costs Keep Rising

Obesity is widely recognized as a chronic disease by the American Medical Association⁵ and multiple other leading medical societies. Like other chronic diseases, it requires a range of treatment options tailored to individual needs. While bariatric surgery and behavioral therapy are valuable tools, many individuals with obesity need access to FDA-approved OMMs to treat their condition effectively.

More than 40% of adults in the United States have obesity, and there are more than 200 associated diseases including type 2 diabetes, heart disease, strokes, and certain types of

¹ GlobalData. (2023). [Obesity's Impact on Rhode Island's Economy and Workforce in 2023](#).

² *Ibid.*

³ CDC. Adult Obesity Prevalence Maps. <https://www.cdc.gov/obesity/data-and-statistics/adult-obesity-prevalence-maps.html>

⁴ Eli Lilly, Lilly and U.S. government agree to expand access to obesity medicines to millions of Americans. <https://investor.lilly.com/news-releases/news-release-details/lilly-and-us-government-agree-expand-access-obesity-medicines>

⁵ American Medical Association House of Delegates. (2013). Recognition of obesity as a disease. In D. W. Martin, Resolution: 420. <https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/about-ama/councils/Council%20Reports/council-on-science-public-health/a13csaph3.pdf>

cancer.^{6,7} In Rhode Island specifically, 31% of adults have obesity, creating substantial economic and health burdens for the state. Research demonstrates that effective obesity treatment delivers broad health benefits and may reduce healthcare spending by 8-34%.⁸ A recent systematic review found that weight loss was associated with reductions in annual medical expenditures (up to \$263 per person per month in people who lost 10%–20% of their bodyweight).⁹ Furthermore, recent data suggests that coverage of OMMs can also deliver measurable value within the first few years of treatment by reducing acute care use and slowing disease progression.¹⁰ Critically, obesity treatment may also prevent prediabetes from progressing to type 2 diabetes. In the three-year SURMOUNT-1 trial published in the *New England Journal of Medicine*, treatment with tirzepatide in persons with obesity and prediabetes reduced the risk of progression to type 2 diabetes by 94% compared with placebo, and nearly 99% of treated participants remained diabetes-free at 176 weeks.¹¹ Given that diabetes is one of the most costly chronic conditions in Medicaid, preventing its onset represents a significant savings opportunity for the state.

*The economic impact of obesity on Rhode Island is substantial:*¹²

- Obesity reduced Rhode Island economic activity by \$1.7 billion in 2023, and the state's GDP decreased by 2.2% due to obesity-related impacts.
- The state budget impact of obesity in Rhode Island is more than \$218 million:
 - State and local government face more than \$96 million in increased costs, including \$58 million in higher Medicaid spending and \$34 million for employee healthcare coverage.
 - Tax revenues are reduced by \$122 million due to lost economic activity.
- Rhode Island employers incur \$663 million in higher healthcare, absenteeism, and disability costs.¹³

⁶ Yuen M, Earle R, Kadambi N. A Systematic Review and Evaluation of Current Evidence Reveals 236 Obesity-Associated Disorders. New Orleans, LA: The Obesity Society; 2016

⁷ Emmerich SD, Fryar CD, Stierman B, Ogden CL. Obesity and severe obesity prevalence in adults: United States, August 2021–August 2023. NCHS Data Brief, no 508. Hyattsville, MD: National Center for Health Statistics. 2024. DOI: <https://dx.doi.org/10.15620/cdc/159281>.

⁸ Thorpe KE, Joski PJ. Estimated Reduction in Health Care Spending Associated With Weight Loss in Adults. *JAMA Netw Open*. 2024;7(12):e2449200. doi:10.1001/jamanetworkopen.2024.49200.

⁹ Almandoz, J. P., Ard, J. D., Gazda, C., & Edwards-Hampton, S. (2026). Healthcare resource utilisation and cost of obesity and related complications in the United States: A systematic literature review. *Diabetes, Obesity and Metabolism*. Advance online publication. <https://doi.org/10.1111/dom.70602>

¹⁰ Aon. Workforce-focused analysis on GLP-1s: research findings from 2022–2024 commercial claims. [Aon Insight Report](#). April 30, 2025.

¹¹ Jastreboff AM, le Roux CW, Stefanski A, et al. Tirzepatide for Obesity Treatment and Diabetes Prevention. *N Engl J Med*. 2025;392(10):958-971. doi:10.1056/NEJMoa2410819.

¹² GlobalData. (2023). [Obesity's Impact on Rhode Island's Economy and Workforce in 2023](#).

¹³ *Ibid.*

The Case for Continued OMM Coverage in Rhode Island

For Rhode Island specifically, keeping access to OMMs in Medicaid would:

- Improve health outcomes for Medicaid beneficiaries.
- Reduce healthcare costs associated with untreated obesity and related complications
- Prevent prediabetes from progressing to type 2 diabetes—a condition with annual per-patient Medicaid costs that far exceed those of obesity treatment alone.
- Advance health equity for rural and economically stressed communities.
- Generate substantial long-term savings—achieving 5-25% weight loss among adults under age 65 over 10 years has the potential to save Rhode Island \$1.2 billion to \$3.6 billion in medical costs over a 10-year period.¹⁴

New Federal Demonstrations Create an Unprecedented Opportunity

To help advance these goals—and as noted earlier in this letter—Lilly recently entered into a voluntary agreement with the U.S. government to expand access to our obesity medicines in Medicaid and Medicare at substantially lower prices. This agreement provides a framework that states like Rhode Island may build upon when considering future coverage strategies.

The Centers for Medicare and Medicaid Innovation (CMMI) “BALANCE” model is one pathway to access these lower prices for obesity medicines. Under the “BALANCE” model, Medicaid programs nationwide, including Rhode Island, will have access to certain GLP-1s at ~\$245/month.¹⁵ After applying Rhode Island’s FMAP, the state’s net cost would be reduced to roughly 42.5% of the program price.¹⁶ These lower prices create a meaningful opportunity for Rhode Island to maintain focused patient access to proven obesity treatments and reduce the downstream costs of a chronically undertreated condition.

We encourage Rhode Island to participate in the new “BALANCE” model and thereby respectfully urge that Rhode Island continue Medicaid coverage of FDA-approved OMMs as part of a patient-centric, evidence-based, and comprehensive obesity management strategy. Reducing access for Medicaid populations would put Rhode Island at risk for further entrenched health disparities due to unequal access to effective therapies and greater downstream costs from untreated chronic conditions.

¹⁴ *Ibid.*

¹⁵ [BALANCE \(Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth\) Model | CMS](#)

¹⁶ KFF State Health Facts. [Federal Medical Assistance Percentage \(FMAP\) for Medicaid and Multiplier.](#)

The convergence of clinical evidence, economic impact, and policies to improve access in government programs creates a unique opportunity. Rhode Island can ensure that residents with obesity covered by Medicaid have access to all medically necessary treatments for their chronic disease.

We welcome the opportunity to further discuss how we can work together to ensure equitable access to all medically necessary obesity treatments.

Sincerely,

/s/ Dan Wahby,
Associate Vice President, State Government Affairs
Eli Lilly and Company