Obesity Groups Oppose Governor McKee's Budget Proposal to Eliminate Rhode Island Medicaid Coverage for FDA-Approved Obesity Management Medications

Statement for the Record for April 9 Senate Finance Committee Hearing

The Obesity Action Coalition (OAC), The Obesity Society (TOS) and the American Society for Metabolic and Bariatric Surgery (ASMBS) strongly oppose Governor McKee's proposed budget, which would eliminate Medicaid coverage for GLP-1 medications for obesity effective October 1, 2026. The Governor's budget "recommends removal of optional coverage for GLP-1s effective October 1, 2026, except if prescribed to treat type 2 diabetes, resulting in $6.3 million in general revenue, $20.3 million from all funds, of savings in the Medicaid program."

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

Rhode Island has been a leader in obesity care coverage throughout the last decade. For these reasons, we are disappointed that Governor McKee appears to be suggesting that GLP-1 coverage will only be allowed to treat type 2 diabetes -- despite FDA approval for other conditions in addition to obesity such as cardiovascular disease, obstructive sleep apnea, and metabolic-associated steatohepatitis (MASH, or NASH with fibrosis). Would Medicaid beneficiaries still be able to access older generation obesity management medications? Will there be any grandfathering for those individuals currently taking GLP-1 medications? There will be critical consequences for thousands of Rhode Islanders should they lose access to this critical treatment tool.

Rhode Island ranks 40th in states impacted by obesity with 30.8% of Rhode Island adults living with obesity and another 36.6 affected by overweight. Obesity and diabetes disproportionately affect people of color and of lower socioeconomical status which are important factors that often determine access to health care. Disparities further exacerbate Rhode Island obesity statistics and health outcomes with 38.5% of black and 33.9% of Hispanic state residents living with obesity compared to 29.5% 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.

The total cost of obesity in the United States is $1.7 trillion and healthcare costs are 34% higher for people with obesity. Expanding access to obesity care will help decrease the numerous illnesses and related medical problems that plague Rhode Islanders, while improving health outcomes and healthcare savings. It is important to remember that while some obesity management medications may be costly, state Medicaid programs receive very generous rebates and discounts from manufacturers and the Federal Government. In addition, creating a system where Medicaid beneficiaries will have access to the full range of obesity treatment services -- such as nutrition counseling, intensive behavioral therapy, obesity management medications, and metabolic and bariatric surgery -- will provide an avenue for addressing so many other costly obesity-related conditions such as Type II diabetes, hypertension and cardiovascular disease.

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 employee and 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 medications for their own employees.

Finally, the Centers for Medicare and Medicaid Services has invited states to participate in the BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth) model, which broadens access to evidence-based obesity treatments at lower costs through federal negotiations. Meanwhile, increased competition and innovation continue to place downward pressure on GLP-1 prices and manufacturers have shown a willingness to negotiate directly with states.

Maintaining Medicaid coverage for FDA-approved obesity management medications is essential to ensuring 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 collectively believe that access to all obesity treatment avenues will not only improve health outcomes for state residents but will also reduce healthcare costs to the state.

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