

Bill Summary

AB 575 would require coverage, **without prior authorization**, for **IBT** and at least one FDA-approved **GLP-1** anti-obesity medication for the treatment or prevention of obesity.

CHBRP assumed utilization management techniques, such as step therapy, would still be employed postmandate.



Insurance Subject to the Mandate

Of the 22.2 million Californians enrolled in state-regulated health insurance, **13.6 million** would have insurance subject to AB 575:

- CDI and DMHC-regulated** (Commercial & CalPERS)
- Federally-regulated or Medi-Cal**

Baseline coverage for AB 575-mandated treatments:



Medical Effectiveness

Regarding reduction of weight, CHBRP found:

- **GLP-1s: very strong evidence** they are effective in adults and **conflicting evidence** they are effective in adolescents and children.
- **IBT: very strong evidence** it is effective in adults, adolescents, and children.

CHBRP: California Health Benefits Review Program
CDI: California Department of Insurance
DMHC: Department of Managed Health Care
FDA: Food and Drug Administration
GLP-1: Glucagon-Like Peptide-1
BMI: Body Mass Index
IBT: Intensive Behavioral Therapy

Context

Obesity is a chronic health condition characterized by an increase of fat cells in the body. Adults with a **BMI ≥25 and <30** are categorized as overweight and those with a **BMI ≥30** are considered obese.

$$BMI = \frac{\text{Weight in kilograms}}{(\text{Height in meters})^2}$$

Obesity Treatments in AB 575



Intensive Behavioral Therapy
Structured, multicomponent intervention that provides patients with tools to support/maintain weight loss



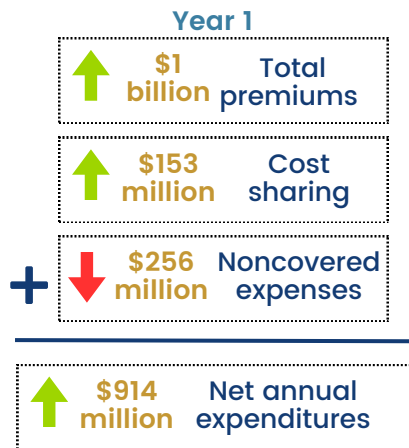
Anti-Obesity Medications

Non-GLP-1s: Block fat absorption/deposition, suppress appetite, and increase metabolism

GLP-1s: Activate processes to reduce digestion rate, increase satiety, and lower blood sugar.

Cost Impacts

Postmandate, CHBRP estimates AB 575 would:



- #### Year 2
- Increased GLP-1 use would lead to \$1.5 billion premium impact (>1% change in all but one market segment)
 - 12,600 newly uninsured people
 - Medical costs would decrease \$100 per GLP-1 user due to reduction in risk of heart failure after 12-18 months of treatment

Public Health Impacts

In the first year postmandate, **140,000** additional enrollees would use **GLP-1s**, and **35** would receive **IBT**. Enrollees who used treatment consistently would see a **5-14%** decrease in body weight, and related health improvements.

In the long term, AB 575 has the potential to impact premature death and reduce economic losses, but the extent to which these may occur is unknown.

