

Bill Summary

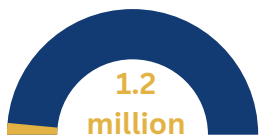
Senate Bill (SB) 1089 would require CalPERS to include coverage of U.S. FDA approved GLP-1 medications for weight management (GLP-1s) in **one health plan offering**. The medications would need to be offered at MFN pricing amount. (MFN pricing is a price in line with prices available in other developed countries).

Medical Effectiveness

Very strong evidence for adults and **strong evidence** for children and adolescents that GLP-1s increase the amount of weight loss and reduce body mass index when used as adjuncts to usual care, compared to placebo.

Insurance Subject to the Mandate

Of 22.8M enrollees in state-regulated health insurance...



1.2M would have insurance subject to SB 1089



CalPERS enrollees with benefit coverage:
 Baseline: 15.3%
 Postmandate: 24.0%

California Health Benefits Review Program (**CHBRP**), California Public Employee's Retirement System (**CalPERS**), Food and Drug Administration (**FDA**), Glucagon-like Peptide-1 (**GLP-1**), Most Favored Nation (**MFN**), Preferred provider organization (**PPO**)




Analysis Assumptions

Assumption 1: CalPERS adds GLP-1 coverage to only the PERS Platinum PPO plan because it is available to all enrollees and has the highest premiums, therefore representing a high estimate

Assumption 2: CalPERS obtains MFN pricing, despite no current ability

Alternate Interpretations


Fiscal estimates of other interpretations of SB 1089:

- 1. Nearly all CalPERS plans would cover GLP-1s 
- 3. CalPERS would offer a "rider" to enrollees 
- 3. Insurers would offer a "rider" to agencies/employers 


Utilization and Cost Impact


Enrollees using GLP-1s:

Baseline: 4,912 using with coverage; 9,237 self-pay
 Postmandate: +3,186 new users; 9,237 shift from self-pay to covered

 **+\$35,273,000** in total annual premiums paid by employers and enrollees (\$330 per member in the PERS Platinum PPO plan annually)

 **+\$2,982,000** in total annual cost sharing for covered benefits

 **\$454** per user per year due to improved health/ reduction in health care utilization per GLP-1 user

 **-\$30,371,000** in total annual expenses for GLP-1s obtained via self-pay

Public Health Impacts

Enrollees newly using GLP-1s would experience an average reduction of **4.8% to 17.8%** in body weight and improvements in related health outcomes over time.

Could exacerbate health disparities in obesity and treatment due to SB 1089 not affecting other commercial and Medi-Cal enrollees

Long-Term Impacts

Use of GLP-1s and premiums 

Cost offsets over time 

What is a "rider"?
 It is an addition to an existing plan that allows an enrollee or purchaser to add specific products to coverage.