



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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Lieutenant Governor

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Deputy Secretary

SENATE BILL 594 Maryland Medical Assistance Program - Coverage for the Treatment of Obesity

STATEMENT OF INFORMATION

DATE: February 20, 2024

COMMITTEE: Finance

SUMMARY OF BILL: Senate Bill 594 would require the Maryland Medical Assistance Program to provide comprehensive coverage for the treatment of obesity beginning on July 1, 2025. Treatment would include intensive behavioral therapy, bariatric surgery, and anti-obesity medication approved by the U.S. Food and Drug Administration.

EXPLANATION: The Maryland Department of Health (MDH) does not expect additional fiscal impacts attributable to bariatric surgery for participants who meet clinical criteria, nor for intensive behavioral therapy. However, MDH anticipates a significant fiscal impact for the provision of chronic weight management medications. MDH estimates costs amounting upwards of \$1.1 billion total funds per year (\$671 million in federal funds, \$434 million in general funds) for the provision of anti-obesity medication to Medicaid participants.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, the Department urges caution in passing legislation with significant new general fund spending. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes. It would be challenging for the State to manage a significant increase in spending given the forecasted out-year deficits for the General Fund.

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