



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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House Bill 1565 Public Health - Obesity Management and Treatment Programs (Healthy Maryland for Everybody)

DATE: March 13th, 2026

COMMITTEE: Health and Appropriations

LETTER OF OPPOSITION

SUMMARY OF BILL: HB 1565 seeks to require the State Employee and Retiree Health and Welfare Benefits Program (the Program) to include obesity management and treatment with specific requirements.

This bill would require the Program to add member coverage for obesity treatment, including anti-obesity drug coverage as well as treatment programs that include behavioral and lifestyle modification services in office, virtual and community settings.

EXPLANATION: DBM commends the sponsors of the bill for the intent of improving the health and welfare of Maryland State government employees and retirees, however, it should be noted that the State currently offers programs to achieve the goals of the legislation at a much more reasonable cost. Specifically, the Program currently offers diabetes and weight loss programs through our carrier partners as Point Solutions. Most notably, the Pharmacy Benefit Manager (PBM) contract, through MedImpact, includes MedEmpower Fuel to include a complementary cellular glucometer, unlimited test strips, diabetes coaching and digital tools to support nutrition, exercise and education.

Our medical carriers also offer a variety of discounted exercise/gym memberships and weight loss support through Noom or Real Appeal Weight Management Programs. Each carrier will reimburse up to \$150 for weight loss programs and all plans offer support through coaching. Separately, the Program would need to assess whether the existing weight loss programs are able to provide office-based and community-based support (point solutions for diabetes / weight loss are primarily virtual).

The cost estimates assume standard prior authorization for obesity coverage, typically available obesity management programs and average utilization levels based on plan sponsors that currently provide such coverage.

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It is estimated to cost between \$25 million and \$40 million annually for the prescription drug component of this coverage. The treatment program is estimated to cost an additional \$2 million to \$5 million annually. The bill also requires coverage of metabolic and bariatric surgery, which is already an eligible expense under the plan when consistent with guidelines approved by National Institutes of Health (NIH) and deemed medically necessary.

Additionally, HB 1565 notes that the treatment programs should be developed in consultation with the Secretary of Health. However, based on our experience, the Program would likely need to go to an established carrier to administer this type of program, either;

- a) through a procurement or
- b) by contracting with a current carrier (medical or PBM).

Given forecasted out-year deficits and significant uncertainty about the federal budget and policy changes, it would be challenging for the State to manage this increase in spending. This challenge is compounded by major, unforeseen changes in federal policy and other ongoing budgetary pressures. The Department of Budget and Management (DBM) now forecasts significant shortfalls beginning in Fiscal Year 2027 and escalating into Fiscal Year 2028.

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