

PURPOSE OF BILL: HB 1332

To require the Arkansas Medicaid Program and health Benefit Plans to cover glucagon-like peptide-1 receptor agonists, also known as GLP-1 agonists, when prescribed for weight loss.

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/12/2025

Patrick Klein, FSA, MAAA
Vice President, Segal

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/12/2025

Matthew Kersting, FSA, MAAA
Vice President, Segal

Date

PROJECTED COSTS

Plan	Plan Design Change	Estimated Cost/(Savings)
EBD	Adding Coverage for weight loss GLP-1s	\$30M - \$40M

PRICING APPROACH AND COMMENTS

House Bill 1332 would require the Arkansas Medicaid program to cover GLP-1 agonists when prescribed for weight loss. Additionally, under this bill, health benefit plans offered, issued, or renewed in Arkansas would be required to provide coverage for GLP-1 medications for weight loss starting January 1, 2026.

Segal conducted a detailed study which was presented January 24, 2024 to the EBD Oversight Subcommittee projecting the cost of adding these Anti-Obesity Medications (AOMs) to the EBD plan ([Microsoft Word - Memorandum - State of Arkansas - AOM Review](#)). We used numerous studies to estimate utilization, persistence, and medical savings resulting from weight loss. Navitus, EBD's PBM, provided information on the actual net cost of the drugs. Ultimately, the estimated medical savings is minor compared to the high cost of these drugs. The memo estimated averaged net costs of \$40M annually over the first three (3) years of coverage.

Segal's book of business data shows that other state plans are spending roughly \$20 PMPM (per member per month) on AOMs and showing significant year-over-year trends. Based on EBD's membership, this equates to approximately \$30M. Note that most state plans do not cover these drugs. Some that do have terminated coverage or are exploring alternative methods of covering the drugs to help reduce rapidly rising costs.