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DATE: April 22, 2023

TO: The Group Insurance Board (GIB) ETFSMBBoardFeedback@etf.wi.gov

FROM: Benjamin Walker, MD

RE: Adding anti-obesity medications to the State of Wisconsin Group Health Insurance Program

Hello,

As a state employee at the University of Wisconsin School of Medicine and Public Health and member of the group insurance plan, I am writing to you regarding the consideration for anti-obesity medications (AOMs) to be added to the State of Wisconsin Group Health Insurance Program so public employees have equitable access to the care we need. As part of a chronic weight loss or management program, these medicines have proved to increase an individual's weight loss over time and also allowed individuals to decrease or even cease the use of other medications they have to use to combat the side-effects of chronic obesity. Adding AOMs to the health insurance program for public employees can lead to numerous benefits, such as improved health outcomes, better quality of life for members and increased productivity. Further, including AOMs in the state's health insurance plan provides members with another option when considering the best decision to make for their health.

Obesity is a serious and growing public health problem and one that we are seeing with increasing frequency even in pediatric patients at American Family Children's Hospital. It has many similarities to smoking in that it affects almost every organ system and is a risk factor for multiple conditions, including major causes of mortality such as type 2 diabetes, heart disease and many cancers. Addressing obesity requires a multi-faceted management approach that often includes medications in addition to necessary lifestyle changes. Covering these medications is a classic example of "an ounce of prevention equals a pound of cure" and would decrease future costs to our insurance plan that result from the conditions cited above..

As state employees in Wisconsin, we deserve to have access to the same quality of care our peers have in all of our neighboring states. Minnesota, Iowa, Illinois, Indiana and Michigan have already taken the crucial step in ensuring their public employees have access to AOMs, and many private sector employees have access to these treatments as well.

Including AOMs in the state employee health insurance plan not only brings us up to speed with our peers; it can aid in productivity at work as well. If members have access to AOMs in their health insurance plan, individuals may be able to improve their energy levels, reduce absenteeism, and increase productivity at work. Wisconsin public employees will not only have access to the same care as other states; we can also be competitive in productivity and employee satisfaction.

Allowing these medications with prior authorization to be covered by etf medical insurance plans not only offers an affordable, convenient option for individuals needing to lose weight and manage their chronic disease, but also would show members that the State of Wisconsin benefit plans meet their employees needs. The Wisconsin Medicaid program offers anti-obesity medication as a benefit to their recipients. I am asking the GIB to add AOMs to the State of Wisconsin Group Health Insurance Program as well. Thank you for your consideration on this matter and allowing me to advocate as an employee on this issue.

Sincerely,

Benjamin Walker, MD

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Sincerely,

Benjamin Walker, MD



STATE OF WISCONSIN Department of Employee Trust Funds A. John Voelker

SECRETARY

Wisconsin Department of Employee Trust Funds PO Box 7931 Madison WI 53707-7931 1-877-533-5020 (toll free) Fax 608-267-4549 etf.wi.gov

April 24, 2023

Ben Walker bjwalker75@gmail.com

Dear Ben Walker:

Thank you for your email to the Group Insurance Board (Board) regarding adding coverage of anti-obesity medications (AOMs) to the Group Health Insurance Program (GHIP).

You are correct that AOMs currently are not covered under the GHIP. However, the Board has discussed adding AOMs to the pharmacy formulary in the past. The Board cannot add coverage for benefits that are not mandated by law unless savings can be demonstrated or benefits are reduced (see <u>Wis. Stats. § 40.03(6)(c)</u>). The Board reviewed coverage of AOMs through the pharmacy benefit at the June 30, 2022, meeting. As noted in the <u>"Weight-Loss Drug Coverage Options Review"</u> memo, the Board's actuary, Segal, estimated the cost of adding weight-loss drugs to the Board's non-Medicare formulary would be about \$11,000 to \$13,000 per person, or between \$12 million –\$17 million per year. The most recently-available studies produced on these drugs report they are only estimated to save about \$1,400 per patient per year or about \$2 million a year in savings. This was one of the reasons the Board was not able to add coverage.

Another reason the Board is hesitant to add coverage is that the long-term effects of taking AOMs for multiple years is unknown and studies are currently being conducted. AOM drug manufacturers have conducted studies of the short-term effects of taking AOMs for up to 72 weeks. However, most research has shown that patients will be on AOMs for multiple years and, in some cases, possibly the rest of their lives. Long-term studies of AOMs aim to answer the questions of whether weight regain may occur over time despite continued therapy, if maintaining weight loss is viable under the drug, and the good and bad health effects of taking weight-loss drugs for a long duration. The timelines and release dates of the information from these ongoing studies are unknown.

In your email, you observed that the Wisconsin Medicaid program offers AOMs as a benefit to their recipients. According to a <u>2017 article in *Health Affairs* by Ramsey</u> <u>Baghdadi</u>, Medicaid's best price policy mandates that a drug manufacturer must offer state Medicaid Programs the best price given to any other purchaser with a mandatory Ben Walker April 24, 2023 Page 2

rebate of 23.1% off the list price of the drug. Currently, only Medicaid programs can achieve this level of rebates and thereby realize some price reduction on AOMs.

GHIP members can obtain some AOMs, such as Wegovy and Saxenda, at a discounted rate. The drugs on the attached "Department of Employee Trust Funds Discount Drug List" are not covered by the GHIP's pharmacy benefit but can be obtained at the negotiated rate Navitus Health Solutions, the Board's Pharmacy Benefit Manager (PBM), has with the pharmacy filling the drug prescription. The pharmacy negotiated rate will be lower than the full price of the drug. Please note that the price a member pays will not count towards any out-of-pocket limits (OOPL) or any pharmacy deductible.

During the February 22, 2023, Board meeting, the Board received a <u>"2024 Preliminary</u> <u>Agreement and Benefit Changes</u>" memo and presentation regarding possible health insurance and pharmacy benefit changes for 2024. Coverage of weight-loss drugs is discussed in that memo.

At the upcoming May 17, 2023, Board meeting, ETF staff will present the Board with their findings regarding preliminary changes, including the addition of weight-loss drug coverage for 2024. The May meeting agenda, Board memos, and other materials will be posted to the ETF website on the <u>"Group Insurance Board Meeting Agendas and Materials"</u> page before the meeting.

Again, thank you for your email. If you have any other questions, comments, or concerns, please do not hesitate to contact me using the information below.

Sincerely,

Tricia Sieg, Pharmacy Benefits Program Manager Office of Strategic Health Policy Department of Employee Trust Funds <u>tricia.sieg@etf.wi.gov</u> 608-261-6006



Department of Employee Trust Funds Discount Drug List

Updated January 2023

Prescriptions that are not covered by your pharmacy benefit may be available at a discounted rate. This may include drugs for infertility, weight loss, cosmetic or other lifestyle needs as prescribed by your doctor. You can use your Health Care Flexible Spending account to pay for them, with a prescription.

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DRUG	Сорау	Drug Category	
ADIPEX-P CAP	100%	WEIGHT LOSS	
ADIPEX-P TAB	100%	WEIGHT LOSS	
AVAGE CREAM	100%	COSMETICS	
CAVERJECT INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
cetrorelix acetate for inj kit	100%	INFERTILITY, INJECTABLES	
CETROTIDE INJ KIT	100%	INFERTILITY, INJECTABLES	
CHROMELIN SOLN	100%	COSMETICS	
CLOMID TAB, CLOMIPHENE CITRATE TAB	100%	INFERTILITY	
CLOMIPHENE CITRATE POWDER	100%	INFERTILITY	
CONTRAVE TAB	100%	WEIGHT LOSS	
DY-O-DERM SOLN	100%	COSMETICS	
EDEX INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
finasteride tab	100%	COSMETICS	
FOLLISTIM AQ INJ	100%	INFERTILITY, INJECTABLES	
ganirelix ac inj	100%	INFERTILITY, INJECTABLES	
GONAL-F RFF INJ	100%	INFERTILITY, INJECTABLES	
hydroquinone cream	100%	COSMETICS	
leuprolide inj	100%	INFERTILITY, INJECTABLES	
LUPRON DEPOT INJ	100%	INJECTABLES	
LUSTRA CREAM	100%	COSMETICS	
MENOPUR INJ	100%	INFERTILITY, INJECTABLES	
METHOXSALEN POWDER	100%	COSMETICS	
minoxidil soln	100%	COSMETICS	
MUSE SUPP	100%	SEXUAL DYSFUNCTION	
OVIDREL INJ	100%	INFERTILITY, INJECTABLES	
PAPAVERINE/ALPROSTADIL INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
PAPAVERINE/PHENTOLAMINE INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
PAPAVERINE/PHENTOLAMINE/ALPROSTADIL INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
phentermine cap	100%	WEIGHT LOSS	
phentermine tab	100%	WEIGHT LOSS	
PHENTOLAMINE/ALPROSTADIL INJ	100%	INJECTABLES, SEXUAL DYSFUNCTION	
PREGNYL INJ	100%	INFERTILITY	



PROPECIA TAB	100%	COSMETICS
QSYMIA CAP	100%	WEIGHT LOSS
RENOVA CREAM	100%	COSMETICS
ROGAINE SOLN	100%	COSMETICS
SAXENDA INJ	100%	INJECTABLES, WEIGHT LOSS
sildenafil tab	100%	SEXUAL DYSFUNCTION
STENDRA	100%	SEXUAL DYSFUNCTION
tadalafil tab	100%	SEXUAL DYSFUNCTION
TRELSTAR INJ	100%	INFERTILITY, INJECTABLES
TRI-LUMA CREAM	100%	COSMETICS
VANIQA CREAM	100%	COSMETICS
vardenafil ODT	100%	SEXUAL DYSFUNCTION
vardenafil tab	100%	SEXUAL DYSFUNCTION
VITADYE LOTION	100%	COSMETICS
WEGOVY INJ	100%	INJECTABLES, WEIGHT LOSS
WEGOVY INJ 1.7MG/0.75ML	100%	INJECTABLES, WEIGHT LOSS
WEGOVY INJ 2.4MG/0.75ML	100%	INJECTABLES, WEIGHT LOSS
XENICAL CAP	100%	WEIGHT LOSS