

DRAFT

October XX, 2025

SUBMITTED ELECTRONICALLY

The Honorable Mike Crapo Chairman Senate Finance Committee 219 Dirksen Senate Office Building Washington, DC 20510

The Honorable Brett Guthrie Chairman House Energy & Commerce Committee 2125 Rayburn House Office Building Washington, DC 20515

The Honorable Jason Smith Chairman House Ways & Means Committee 1139 Longworth House Office Building Washington, DC 20515 The Honorable Ron Wyden Ranking Member Senate Finance Committee 219 Dirksen Senate Office Building Washington, DC 20510

The Honorable Frank Pallone Ranking Member House Energy & Commerce Committee 2125 Rayburn House Office Building Washington, DC 20515

The Honorable Richard Neal Ranking Member House Ways & Means Committee 1139 Longworth House Office Building Washington, DC 20515

RE: <u>ITEM Coalition Support for Expanded Medicare Coverage of Anti-Obesity</u> Medications

Dear Chairman Crapo and Ranking Member Wyden, Chairmen Guthrie and Smith, and Ranking Members Pallone and Neal:

On behalf of the undersigned members of the Independence Through Enhancement of Medicare and Medicaid ("ITEM") Coalition, we write to encourage the leadership of the Senate and House committees of jurisdiction over the Medicare program to continue working with the Centers for Medicare and Medicaid Services ("CMS") to enable Medicare beneficiaries living with disabilities and chronic obesity to access anti-obesity medications ("AOMs") through the Medicare Part D program. The ITEM Coalition firmly believes that Medicare beneficiaries living with obesity, especially individuals with mobility impairments, should have equal access to the full continuum of obesity treatment options available to those living with chronic diseases such as diabetes and cardiovascular conditions, conditions where AOMs are already covered.

The ITEM Coalition is a national consumer- and clinician-led coalition advocating for access to and coverage of assistive devices, technologies, and related services for persons with injuries, illnesses, disabilities, and chronic conditions of all ages. Our members represent individuals

with a wide range of disabling conditions, as well as the providers who serve them, including limb loss and limb difference, multiple sclerosis, spinal cord injury, brain injury, stroke, paralysis, cerebral palsy, spina bifida, hearing, speech, and visual impairments, and other life-altering conditions. Many of the constituents represented by ITEM Coalition organizations have mobility impairments that significantly reduce their ability to ambulate, exercise, and regulate their weight in a manner taken for granted by their non-disabled peers.

Under the previous Biden Administration, CMS proposed regulations to expand coverage of AOMs for the treatment of obesity under the Medicare and Medicaid programs, a proposal that was ultimately not finalized under the Trump Administration due to concerns around initial costs to the Medicare trust fund. In fact, at a closed-door House Ways and Means Committee roundtable on July 24, 2025, CMS Administrator Oz stated that he rejected the proposed Medicare coverage of AOMs because he did not want CMS to pay "retail" prices for these medications.

However, the Department of Health and Human Services ("HHS") has recently reported that net prices for these medications is generally significantly lower than the retail price. Furthermore, Medicare reimbursement levels for AOMs are also currently being negotiated by the HHS Secretary, as required by the Inflation Reduction Act. Given that CMS is not currently paying retail prices and that AOMs are currently under negotiation, we urge the Congressional committees of jurisdiction to encourage CMS to reconsider its prohibition on coverage for AOMs to treat obesity under the Medicare Part D program.

More than two-thirds of Medicare beneficiaries are classified as overweight or obese based on their body mass index.³ Recent data from the Centers for Disease Control and Prevention ("CDC") suggests that 40.5% of adults with a disability also have obesity, a much higher incidence of obesity compared to the 30.3% of adults without a disability.⁴ A lack of mobility in the physical disability population contributes to obesity and the chronic illnesses that often accompanies this condition. Health insurance coverage also often precludes access to limb prosthetics, orthotic braces, and wheeled mobility devices that would enable people with mobility-related disabilities to participate in and benefit from activity-specific health and fitness programs in order to help them regulate their weight. In addition, most fitness facilities are not easily accessible to people with mobility disabilities, creating further barriers to maintaining fitness and health.

From the ITEM Coalition's perspective, we view access to AOMs as a critical tool for people with disabilities with obesity when diet and healthy lifestyles alone do not prove effective in and of themselves. To meaningfully combat the obesity epidemic, every tool should be at Medicare beneficiaries' disposal to eliminate the increased risk of comorbid conditions, chronic illnesses,

https://www.cms.gov/newsroom/press-releases/hhs-announces-15-additional-drugs-selected-medicare-drug-price-negotiations-continued-effort-lower

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 $[\]frac{https://aspe.hhs.gov/sites/default/files/documents/127bd5b3347b34be31ac5c6b5ed30e6a/medicare-coverage-anti-obesity-meds.pdf}{2}$

https://www.cbo.gov/system/files/2024-10/60441-medicare-coverage-obesity.pdf

⁴ https://www.cdc.gov/disability-and-health/conditions/obesity.html

and even premature death. While we support holistic and healthy lifestyles, proper diet, and exercise, as well as programs to encourage these behaviors, we believe there is a limit to what these strategies alone can accomplish, particularly for individuals with mobility impairments.

Despite the fact that retail prices for AOMs can be significant, it is important to note that Part D plans and Medicare beneficiaries do not pay retail for prescription drugs. Part D plan sponsors negotiate prices with manufacturers, pharmacies, and others. Additionally, as cited in an August 4, 2025, Congressional letter from several Members of the Ways & Means and Energy & Commerce Committees to CMS on the AOM issue, many AOMs are highly rebated—around 50%—meaning prices paid by plans are much lower than retail prices or those paid to a pharmacy.⁵ Further, the average out-of-pocket cost for Part D enrollees for AOMs was \$60 per month in 2023, with a majority with monthly costs less than \$15.60.

In addition to the costs associated with AOMs being substantially less than retail prices would suggest, the long-term savings associated with expanded access to AOMs make coverage of these medications a "win-win" for both Medicare beneficiaries and the federal government. According to a recent study, the cumulative social benefits from Medicare coverage for new obesity treatments over the next 10 years were estimated in a recent study to reach almost \$1 trillion, or roughly \$100 billion per year. Furthermore, this study also found that Medicare coverage of weight-loss therapies would save federal taxpayers as much as \$245 billion per year in the first 10 years of coverage alone if private insurers were to follow Medicare's lead. Finally, a recent study by Aon Health Solutions concluded that AOM coverage paid for itself in the employer-provided insurance market over a two-year period.⁸

These savings represent a reduction in healthcare spending as a result of fewer hospitalizations, surgeries, doctors' visits, drugs, nursing home stays, and other medical needs associated with a healthier Medicare population. The study found that most of the projected cost offsets to Medicare (60%) occur in Medicare Part A spending, with the remainder coming from savings to outpatient care under Medicare Parts B and D.9

For these reasons, the ITEM Coalition respectfully urges the leadership of the Congressional committees of jurisdiction in the U.S. Senate and House of Representatives to engage with CMS to encourage the agency to reconsider its current coverage limitations and to initiate future rulemaking as soon as possible to allow expanded Medicare coverage of AOMs under Medicare Part D, particularly for beneficiaries with mobility impairments.

 $\underline{https://aspe.hhs.gov/sites/default/files/documents/127bd5b3347b34be31ac5c6b5ed30e6a/medicare-coverage-anti-obesitv-meds.pdf}$

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⁵ https://www.gao.gov/assets/gao-23-105270.pdf

⁷ Alison Sexton Ward, PhD, The Benefits of Medicare Coverage for Weight Loss Drugs, DOI: 10.25549/4rf9-kh77 (April 18, 2023) https://healthpolicy.usc.edu/research/benefits-of-medicare-coverage-for-weight-loss-drugs/

⁸ Aon. "Aon Unveils First Workforce-Focused Analysis on GLP-1s: Medications and Holistic Support Can Transform Workforce Health and Bend the Cost Curve." *PR Newswire*, 16 Oct. 2025, https://www.prnewswire.com/news-releases/aon-unveils-first-workforce-focused-analysis-on-glp-1s-medications-and-holistic-support-can-transform-workforce-health-and-bend-the-cost-curve-302441869.html

⁹ Alison Sexton Ward, PhD, The Benefits of Medicare Coverage for Weight Loss Drugs, DOI: 10.25549/4rf9-kh77 (April 18, 2023) https://healthpolicy.usc.edu/research/benefits-of-medicare-coverage-for-weight-loss-drugs/

Congressional engagement is essential to ensure that CMS takes the necessary regulatory steps to align Medicare policy with the growing body of clinical evidence and realities of modern obesity care. Expanding access to these therapies will improve health outcomes, reduce long-term, unnecessary healthcare costs, and meaningfully enhance the quality of life for millions of Medicare beneficiaries, including those living with disabilities.

Thank you for your leadership and for your consideration of this important issue. Should you have any further questions, please contact Peter Thomas or Michael Barnett, ITEM Coalition coordinators, at Peter.Thomas@PowersLaw.com and Michael.Barnett@PowersLaw.com or by phone at 202-466-6550.

Sincerely,

The Undersigned Members of the ITEM Coalition

*Member of the ITEM Coalition