

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 250** SLS 26RS 508

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2026	12:48 PM	Author: MCMATH
Dept./Agy.: Office of Group Benefits		Analyst: Garrett Ordner
Subject: Weight Management Services for Group Benefits Participants		

HEALTH SERVICES OR INCREASE SG EX See Note
Provides relative to comprehensive weight management services. (8/1/26)

Proposed law authorizes the Office of Group Benefits (OGB) to contract with qualified healthcare providers, pharmacy partners, and program administrators to provide comprehensive weight management services for plan participants.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in an indeterminable, but significant SGR expenditure increase for the Office of Group Benefits beginning in FY 27. OGB is directed to implement a comprehensive weight management program for OGB's self-funded health plan members. Using three potential weight management program scenarios, OGB's actuary has estimated costs ranging from \$11.3 M to \$61.6 M per year. Unless OGB fund balance is utilized, or premiums paid into the OGB fund are increased, a SGF appropriation will be required to cover the state portion of the increase in premium costs.

In its first two cost scenarios, which assume that OGB will implement the weight management program through its self-funded health plan, OGB assumes weight management will only consist of GLP-1 weight loss drug coverage. However, the third scenario assumes the coverage will be instead provided through a third party program administrator which may also offer additional services such as health coaching. Expenditures will be paid with member premiums as well as employing agencies' share of OGB costs.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

To the extent that the projected increase in self-funded health plan pharmacy claim expenditures cannot be absorbed by OGB's fund balance, proposed law may result in an indeterminable increase in self-generated revenues through employer share payments and member premiums to cover costs associated with expanding coverage to include comprehensive weight management. Based on its expenditure scenarios, OGB would require \$11.3 M to \$61.6 M in annual revenues if it cannot absorb any costs. This assumes that OGB does not instead cut existing benefits or receive an SGF appropriation from the legislature to cover weight management program costs.

Given OGB's projected costs of \$11.3 M to \$61.6 M, and assuming a 75% employer contribution, between \$2.8 M and \$15.4 M would need to be recovered through increased member premiums if OGB does not absorb any of these costs. OGB reports that a one percent increase in premiums is expected to generate approximately \$17.8 M in premiums. Premiums could therefore be expected to increase by between 0.15% and 0.87% under these assumptions. Because dependents only receive a 50% employer contribution, the actual share of revenues covered by premiums may be somewhat higher.

OGB is currently projecting a need for a 10.15% annual premium increase for its self-funded plans in years 2027 through 2030 in order to keep its fund balance from following below its actuarially-recommended target of \$309 M, but even with these increases, OGB still expects a loss of \$122.6 M from January 1, 2026, to January 1, 2030. Any increase in premiums due to proposed law would be in addition to this 10.15% increase.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Alan M. Boxberger
Legislative Fiscal Officer

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 250** SLS 26RS 508

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2026	12:48 PM	Author: MCMATH
Dept./Agy.: Office of Group Benefits		Analyst: Garrett Ordner
Subject: Weight Management Services for Group Benefits Participants		

CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

OGB reports that it is currently evaluating several solutions to address the weight management needs of its self-funded health plan members in addition to its existing bariatric surgery benefits. OGB has provided estimates for three potential weight management coverage scenarios based on assumptions of 10% participation among its 76,637 members:

(1) Providing coverage for FDA-approved prescription weight loss drugs under self-funded plans' existing pharmacy benefits and copay levels (maximum copay of \$55 for a 30-day supply), resulting in a net annual cost to OGB of \$8,034 per user after copays and rebates. At 10% utilization, OGB anticipates \$61.6 M in annual pharmacy claims costs.

(2) Providing coverage for FDA-approved prescription weight loss drugs under self-funded plans' existing pharmacy benefits, but creating a new drug tier with a maximum copay of \$200 per 30-day fill, resulting in a net annual cost to OGB of \$6,294 per user after copays and rebates. At 10% utilization, OGB anticipates \$48.2 M in annual pharmacy claims costs.

(3) Carving out weight loss coverage and management from the existing self-funded health plan medical and pharmacy benefits. This coverage would instead be managed by a third party who could provide OGB members access to prescription drugs FDA-approved for weight loss at a substantial discount, resulting in a net annual cost to OGB of \$1,380 per user after copays and rebates. OGB reports that the member copay for a 30-day supply would be \$250. At 10% utilization, OGB anticipates \$10.6 M in annual pharmacy claims costs, as well as between \$736,000 and \$9.2 M in annual administrative fees. OGB reports that such an administrator may offer additional services such as health coaching.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Legislative Fiscal Officer