



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 410

PRINTERS NO. 385

PRIME SPONSOR: Oberlander

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** House Bill 410, Printer's Number 385, amends the Human Services Code to allow payment for anti-obesity drugs approved by the Food and Drug Administration (FDA). This legislation is effective in 60 days.

**ANALYSIS:** HB 410 adds anti-obesity medications to the list of items which shall be considered a compensable item under the medical assistance (MA) program and abrogates the existing regulation that currently prohibits coverage of anti-obesity medications in MA. This legislation does not place limitations on DHS's ability to impose prior authorization requirements prior to providing coverage for anti-obesity medications.

**FISCAL IMPACT:** According to "The State of Obesity 2018: Better Policies for a Healthier America" (a project of the Trust for America's Health and the Robert Wood Johnson Foundation), Pennsylvania's obesity rate is 30.9%, which equates to approximately 583,500 MA recipients between 18 to 64 years of age. If anti-obesity medications are provided to the roughly 10% of obese individuals with co-morbid conditions (such as diabetes, hypertension or heart disease), the estimated annual cost after rebates is \$30,000,000 in state funds (\$86,000,000 total cost including federal funds). However, the estimated cost does not factor in potential savings from improved health conditions which would occur in subsequent fiscal years.

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**DATE:** November 21, 2019

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*