



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 293

PRINTERS NO. 1829

PRIME SPONSOR: Oberlander

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	See Fiscal Impact	

**SUMMARY:** House Bill 293, Printer's Number 1829, amends the Human Services Code to allow payment for anti-obesity drugs. This legislation is effective in 60 days.

**ANALYSIS:** HB 293 provides that an anti-obesity medication that is (1) approved by the federal Centers for Medicare and Medicaid Services as a covered outpatient drug and (2) included on the Pennsylvania Medical Assistance (MA) Statewide Preferred Drug List shall be considered a compensable item under the MA program.

Additionally, the bill abrogates the existing regulation that currently prohibits coverage of anti-obesity medications in MA. The bill does not place limitations on the ability of the Department of Human Services to impose prior authorization requirements prior to providing coverage for anti-obesity medications.

**FISCAL IMPACT:** According to "The State of Obesity 2020: 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 33.2%, which equates to approximately 681,000 MA recipients between 18 and 64 years of age. If anti-obesity medications are provided to 10% of obese individuals, the estimated annual cost after rebates is \$33.3 million in state funds (\$100.6 million total cost including federal funds). However, the estimated cost does not factor in potential savings from improved health conditions, which could occur in subsequent fiscal years.

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House Appropriations Committee (R)

**DATE:** January 11, 2022

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