



NATIONAL CONSUMERS LEAGUE

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Senator Scott Wiener
Chair Senate Budget and Fiscal Review Committee
1020 N Street, Room 502 Sacramento, CA 95814

May 28, 2025

Assemblymember Jesse Gabriel
Chair Assembly Budget Committee
1021 O Street, Suite 8230 Sacramento, CA 95814

RE: Maintaining GLP-1 Coverage in Medi-Cal for Low-Income Californians

Dear Senator Wiener and Assemblymember Gabriel-

The National Consumers League (NCL) is a private, nonprofit consumer education and advocacy organization founded in 1899 to represent the voice of consumers on matters affecting social justice, consumer protection and the wellbeing of the American public.

Especially as our work relates to nutrition and health, NCL is deeply concerned that Governor Gavin Newsom is proposing to eliminate coverage of anti-obesity medications (AOMs) for millions of low-income and disabled adults on Medi-Cal at a time when obesity rates in the state have escalated from 19.3 percent in 2001 to 29.2 percent today.¹ While our organization recognizes that California faces a \$12 billion budget deficit, the governor's budget-balancing move belies his longstanding commitment to "make better health care available to all Californians." Even worse, this action could cost the state more in healthcare spending than the projected \$85 million in savings to the 2025-26 budget.

Already according to Let's Get Healthy California, the state "has the highest total obesity-related medical costs in the United States" with the annual medical care expenditures for each adult with obesity (\$5,812) nearly three times greater than any other state.² This is why the data and analytics firm GlobalData Plc estimated that in 2022 the economic and workforce costs of obesity for the state were \$89.5 billion, or 2.5 percent of the state's gross domestic product.³ Moreover, GlobalData documented 353,600 fewer adults in the workforce in 2022 due to obesity-related unemployment and premature deaths and \$6.3 billion paid by employers for the costs for health-related absenteeism and disability.³

¹ UCLA Center for Health Policy Research. Nearly 1 in 3 adults in California are obese, increasing from 19.3% in 2001 to 29.2% in 2023. Accessible at: <https://healthpolicy.ucla.edu/our-work/overweight-and-obesity>

² Let's Get Healthy California. Accessible at: <https://letsgethealthy.ca.gov/goals/living-well/reducing-obesity>

³ GlobalData. Obesity's Impact on California's Economy and Workforce. June 25, 2024. Accessible at: www.globaldata.com/health-economics/US/California/Obesity-Impact-on-California.pdf

From the standpoint of budget projections, GlobalData's findings suggest that California's costs will only increase because obesity is such a pervasive and expensive disease. Besides negatively impacting almost every aspect of health and well-being, obesity worsens the outcomes of over 230 obesity-related chronic diseases⁴ and is directly linked to approximately 400,000 premature deaths each year nationally.⁵ Thus, the economic burden of obesity will remain a paramount concern for the state, especially if the disease goes untreated among a large segment of the population and the financial burden for managing the health conditions associated with obesity increase along with the costs related to lost productivity when people miss work, are less productive while at work, or die prematurely.

If obesity were diabetes or heart disease, these statistics would make the governor and California legislators think twice about eliminating coverage for obesity care through Medi-Cal. Yet, the reality is that obesity is still not viewed as a serious disease, too many health professionals act in discriminatory ways based on people's size, and thus, obesity remains largely undiagnosed and undertreated in this country, including in California. This is why the National Consumers League partnered with the National Council on Aging (NCOA) and leading obesity specialists to develop and issue the first Obesity Bill of Rights for the nation on January 31, 2024. Specifically, the *Obesity Bill of Rights* defines quality obesity care as the right of all adults and establishes eight essential rights, including the right to coverage for the full range of treatment options so Americans with obesity will get the care specified in medical guidelines.

Based on our understanding of obesity from developing the *Obesity Bill of Rights*, NCL is calling on Governor Newsom and the California legislature to maintain coverage for GLP-1 drugs for adult Californians on Medi-Cal not only as the right thing to do but to realize significant savings to the economy due to improvements in weight-related diseases. Demonstrating what is possible, there is substantial evidence that even a modest weight loss of 5-10 percent reduces LDL ("bad") cholesterol and triglycerides in the blood while a 10-15 percent weight loss achieves a maximum therapeutic benefit for cardiovascular disease, GERD and such conditions as urinary stress incontinence. Additionally, a 15-20 percent weight loss produces remission of type 2 diabetes and a maximum therapeutic benefit for congestive heart failure and cardiovascular mortality.⁶

Translating these therapeutic benefits into cost savings for the state, a cross-sectional study of privately insured adults and Medicare beneficiaries published December 5, 2024, in *JAMA Network Open* estimates that not treating obesity increases annual health spending by \$326 per person for each percentage-point increase in body mass index (BMI).⁷ Conversely, the study projected annual savings from weight loss among a cohort of 3,774 Medicare beneficiaries, finding that those with one or more comorbid condition who achieved a 5 percent weight loss had a reduction in healthcare spending of \$1,262. A 10 percent weight loss nearly doubled the savings to \$2,430 and for a 25 percent weight loss, the reduction in health expenditures was \$5,444 per person.

⁴ Obesity Care Advocacy Network. Fact Sheet: Obesity Care Beyond Weight Loss

⁵ Hurt Ryan T et al. Obesity epidemic: overview, pathophysiology, and the intensive care unit conundrum. *J Parenter Enteral Nutr.* 2011 Sep;35(5 Suppl):4S-13^

⁶ Ibid

⁷ Thorpe KE, et al. Estimated Reduction in Health Care Spending Associated with Weight Loss in Adults. *JAMA Netw Open.* 2024;7(12):e2449200


Building on these findings, the GlobalData research finds that treatment that produces a 5 percent to 25 percent weight loss could save California up to \$77.9 billion in healthcare costs over the next decade. This is because adults with obesity incur over \$2,800 more in annual medical expenses compared to those of normal weight, with the effect even greater among Medicaid beneficiaries.³

Beyond achieving savings in reduced medical expenditures and the costs to the state economy, providing Californians with coverage for anti-obesity medications is one of the best strategies to confront what NCL calls the nation's second obesity crisis – the flood of products promoted as alternatives to the FDA approved GLP-1 drugs that are fakes, counterfeit or use forms or ingredients that are not legitimate and may be unsafe. According to the Food and Drug Administration, these products may contain incorrect dosages, the wrong ingredients, too much, too little or none of the active ingredients, and possibly bacteria, all of which can lead to serious health consequences. Thus, while several medical organizations and state attorneys general have issued alerts to warn consumers, advocates agree that because cost is what drives individuals to opt for potentially dangerous products, coverage of FDA-approved GLP-1 drugs is the best way to put a damper on this exploitative market.

Considering the significant health and patient safety benefits and reduced medical costs from treating obesity, NCL urges Governor Newsome to continue being California's "health care governor" and ensure that one of the essential rights established by the *Obesity Bill of Rights* -- the Right to Coverage for Treatment" – applies to Californians. While some difficult decisions must be made, the Governor's latest budget proposal to cut anti-obesity medication (AOM) coverage by Medi-Cal will cost the state more in higher medical expenditures, premature deaths, fraud in the marketplace, and higher workforce costs while posing immediate risks to the health of California's most vulnerable. It is a price tag that is much too high.

Thank you in advance for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Glick".

Nancy Glick, Director, Food & Nutrition Policy
National Consumers League
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202-320-5579

CC:

Senate President Pro Tempore Mike McGuire
Assembly Speaker Robert Rivas