

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 496
Finance

(Senators Hershey and Lam)

Health

**Maryland Medical Assistance Program - Coverage for the Treatment of Obesity -
Authorization**

This bill *authorizes* Medicaid, beginning January 1, 2027, to provide “comprehensive coverage for the treatment of obesity,” including coverage for intensive behavioral therapy, bariatric surgery, and any medication approved by the U.S. Food and Drug Administration (FDA) with an indication for chronic weight management in patients with obesity. Medicaid may undertake utilization management to determine medical necessity and appropriateness if the determinations are made in the same manner as for the treatment of any other illness, condition, or disorder. If coverage is provided, the Maryland Department of Health (MDH) must provide notice to Medicaid recipients. MDH may apply to the federal Centers for Medicare and Medicaid Services (CMS) for a state plan amendment that authorizes the State to provide comprehensive coverage for the treatment of obesity. By November 1, 2027, MDH must report to specified committees of the General Assembly on whether Medicaid has begun to provide such coverage.

Fiscal Summary

State Effect: MDH can submit the required report with existing budgeted resources. To the extent MDH implements the coverage authorized under the bill, Medicaid expenditures increase by a significant amount (estimated at as much as \$449.4 million annually) just to cover anti-obesity medications. Federal fund revenues increase accordingly.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Medicaid Coverage for the Treatment of Obesity

Maryland Medicaid currently covers bariatric surgery and intensive behavioral therapy for participants who meet certain clinical criteria. Coverage of anti-obesity medication is limited to individuals with an obesity diagnosis and certain comorbidities (sleep apnea, cardiovascular disease, or non-cirrhotic metabolic dysfunction-associated steatohepatitis). Medicaid covers Byetta, Ozempic, Trulicity, Victoza, Bydureon, Mounjaro, Rybelsus, Wegovy, and Zepbound for FDA-approved indications other than obesity. All these medications (except for Wegovy and Zepbound) are used for type 2 diabetes. Medicaid covers Wegovy for participants who are overweight or obese and have cardiovascular disease, and for adults with non-cirrhotic metabolic dysfunction-associated steatohepatitis. Medicaid covers Zepbound for obese adults with obstructive sleep apnea.

Chapters 777 and 778 of 2024 required MDH to study the impact of requiring Medicaid to provide comprehensive coverage for the treatment of obesity and report to specified committees of the General Assembly by December 31, 2024. According to the [report](#), coverage of anti-obesity medication would cost Medicaid between \$225.0 million (assuming 15% uptake) and \$437.7 million (assuming 25% uptake) for prescription drugs only in fiscal 2026 (58.9% federal funds, 41.1% general funds), in addition to personnel and contracting costs.

Medicaid State Plan

A Medicaid state plan is an agreement between a state and CMS that describes how a state administers its Medicaid program. A state plan gives an assurance that a state will abide by federal rules and may claim federal matching funds. A Medicaid state plan sets out groups of individuals to be covered, services to be provided, methodologies for providers to be reimbursed, and the administrative activities that are underway in the state. Services included in the state plan must be made available to all eligible beneficiaries when medically necessary.

Additional Comments: In response to this fiscal and policy note, MDH advises that, should Medicaid implement coverage as *authorized* under the bill, a 25% uptake rate of anti-obesity medications is likely. This would cost Medicaid \$449.4 million annually – for prescription drugs only (based on report projections noted above and accounting for 2.7% inflation in costs) – as well as an additional amount for personnel and related administrative expenditures.

In December 2025, CMS announced the Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth (BALANCE) Model. The model is intended to enable Medicare Part D plans and state Medicaid agencies to cover glucagon-like peptide-1 (GLP-1) medications used for weight management and metabolic health improvement. CMS will negotiate with GLP-1 manufacturers for lower net prices and standardized coverage terms. MDH is currently assessing the model and potential participation; however, as of March 2026, pricing, key terms, and access criteria requirements have not been made available to states. The BALANCE Model may ultimately lower the cost of these medications.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 876 and HB 1489 of 2025, and SB 594 and HB 986 of 2024 (as introduced) (all of which *mandated* coverage for the treatment of obesity).

Designated Cross File: HB 813 (Delegate Martinez, *et al.*) - Health.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2026
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