

States Retreat From Covering Drugs for Weight Loss

Some health professionals say covering GLP-1 drugs will save money in the long term.

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Some states are rethinking their coverage of GLP-1 drugs for weight loss as budgets tighten and Medicaid programs brace for the cuts included in President Donald Trump's broad tax and spending law.

As of Oct. 1, [16 state Medicaid programs](#) covered GLP-1s for obesity treatment, up from 13 last year, according to a survey of Medicaid directors by KFF, a health policy research group. But some states have announced they will discontinue coverage or restrict who can qualify for it.

Many doctors and patient advocates say the drugs will save money in the long run by reducing obesity-related diseases such as heart disease and diabetes. Many states, however, have concluded they just can't afford them.

North Carolina Medicaid [ended coverage of GLP-1s](#) for obesity last month, citing shortfalls in state funding. California, New Hampshire and South Carolina have said they will end coverage on Jan. 1. Starting next year, Michigan Medicaid will limit coverage to people who are "morbidly obese." Pennsylvania, Rhode Island and Wisconsin also are considering new restrictions.

In last year's KFF survey, about half the states said they were interested in covering GLP-1s for weight loss, according to Elizabeth Williams, a senior policy manager at KFF who focuses on Medicaid. This year, most states are moving in the opposite direction.

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– Elizabeth Williams, KFF senior policy manager

This likely reflects recent state budget challenges and the significant, significant costs associated with coverage,” Williams said. “After a number of years of robust revenue growth right after the pandemic, states are starting to see slowing revenues, increasing spending demands and a lot of fiscal uncertainty due in part to recent federal actions.

In April, the Trump administration [scrapped](#) a Biden-era proposal that would have required state Medicaid programs to pay for some GLP-1s for obesity treatment. Earlier this month, Trump [announced](#) that his administration had reached agreements with the manufacturers of Wegovy and Zepbound to reduce the prices of the drugs for Medicaid, Medicare and consumers buying the drugs directly, But it’s unclear whether the deals [will reduce costs for states](#).

Health plans for state workers also are reassessing their coverage of the drugs for obesity. North Carolina, for example, ended GLP-1 obesity coverage for state workers last year, and West Virginia canceled a 1,000-person pilot program.

GLP-1 medications, which balance blood sugar levels, have long been prescribed to patients with Type 2 diabetes and cardiovascular conditions. All state Medicaid programs, which are funded jointly by the states and the federal government, cover GLP-1s for those uses.

But the drugs also curb hunger signals and can help people lose significant amounts of weight. Medications such as Ozempic, Wegovy and Zepbound have become wildly popular for that purpose.

Between 2019 and 2023, the number of outpatient Medicaid prescriptions for select GLP-1s to treat diabetes and obesity grew from 755,300 to 3.8 million, [according to KFF](#). During the same period, Medicaid spending on those drugs increased from \$597.3 million to \$3.9 billion.

A [study published last year](#) in The BMJ, the journal of the British Medical Association, found that the number of patients without diabetes who started GLP-1 treatment in the United States increased from roughly 21,000 in 2019 to 174,000 in 2023, or more than 700%.

[More than 2 in 5 U.S. adults](#) have obesity, according to the federal Centers for Disease Control and Prevention. The CDC defines obesity as having a body mass index — a calculated measure of body weight relative to height — of 30 or higher. Obesity costs the U.S. health care system almost \$173 billion per year, according to the agency.

Recently, the manufacturers of some GLP-1s [have lowered their prices](#), selling them directly to consumers for \$500 or less per month. But many patients cannot afford to pay that much out of pocket.

States in a tough financial position

In North Carolina, Dr. Jennifer McCauley, a weight management physician at UNC Health, said Medicaid coverage of GLP-1s was “incredibly helpful for our patients.”

“Now they’ve stopped coverage, so those people are now going back, regaining some of the weight, because they’re unable to obtain these medications, and also are suffering the health consequences of obesity,” McCauley told Stateline.

Some critics of expansive GLP-1 coverage say it isn’t [cost effective](#), because many patients gain back the weight they lost when they stop treatment. But McCauley said the “downstream effects of obesity are even higher.”

“There are definitely vulnerable populations that probably would not be able to obtain weight loss without these medications.”

James Werner, a spokesperson at the North Carolina Department of Health and Human Services, blamed the coverage change on the state legislature’s failure to budget enough money for Medicaid.

In an email to Stateline, Werner said coverage of GLP1s for weight loss “would be reconsidered if Medicaid is fully funded.”

Some states are trying to maintain at least some coverage of the expensive drugs by tightening the eligibility requirements for a prescription, according to Colleen Becker, a project manager at the National Conference of State Legislatures, a policy research group.

“States are really looking at how to balance access and provide that access to patients, but they’re stewards of their budgets, and they need to be good stewards of it,” Becker said.

Michigan and Pennsylvania are among the states considering such options. Meanwhile, Connecticut has decided to maintain coverage of weight-loss drugs for state employees, but to require beneficiaries to try online weight-loss counseling before they can get a prescription.

Some future possibilities

One state, North Dakota, has taken a different approach to GLP-1 coverage after legislation that would have required the state’s [Medicaid](#) program to cover the drug failed. Instead, North Dakota this year became the first state to mandate that insurers on the state’s Affordable Care Act marketplace cover the drugs for weight loss.

North Dakota Deputy Insurance Commissioner John Arnold said the insurance department calculated that the mandate wouldn’t cause insurance premiums to rise significantly.

“It’s not that anybody can walk into the doctor’s office and say, ‘Hey, I want to have this covered,’” Arnold said. “It is really for those who have a medical need for the drugs, then it would be covered.”

The insurance department had to ask the legislature for permission to make the change, according

to North Dakota Republican House Speaker Robin Weisz. He said insurance carriers were concerned that it was going to be “open season for everybody who could lose 20 or 30 pounds.”

He said it will take time to see whether the policy raises insurance premiums.

“If the carriers can come in a couple years and say, ‘Wow, here’s what we’ve spent on these ... we’ll take a hard look at it,” Weisz said. “But, it’s way too early to tell at this point.”

Arnold says other states may have the flexibility to consider mandating ACA insurers to cover the drugs.

“Our biggest concern was reducing those comorbidities and the long-term impact that that has on the cost of insurance in general, because more comorbidities means more claims,” Arnold said, referring to diseases and conditions associated with obesity.

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