



The Daily Dish

A Real Thanksgiving Turkey

DOUGLAS HOLTZ-EAKIN | NOVEMBER 27, 2024

On Tuesday, President Biden stuck it to the incoming Trump Administration, having the Department of Health and Human Services (HHS) issue a [proposed rule](#) that mandates Medicare and Medicaid cover weight-loss drugs:

Today, the Biden-Harris Administration is proposing a new rule to significantly expand coverage of anti-obesity medications for Americans with Medicare and Medicaid.... Currently, Medicare and Medicaid cover the use of AOM's for certain conditions, like diabetes. Today's new proposal would expand access to these innovative medications for obesity, which is widely recognized as a disease and help an estimated 3.4 million Americans with Medicare. Medicare coverage would reduce out-of-pocket costs for these prescription drugs by as much as 95 percent for some enrollees. Approximately 4 million adult Medicaid enrollees would also gain new access to these medications.

Let's be clear: Eakinomics is not objecting to covering these anti-obesity medicines (AOMs). Obesity is now [recognized](#) as a chronic disease and insurance programs exist to cover the costs of treating diseases. It is this recognition that provided the Biden Administration with an avenue to cover the drugs under Medicare. Until now, they were classified as "lifestyle" drugs and were prohibited by statute from being covered under Medicare.

No, the problem is *how* they are going about this. First, it is really expensive. The Congressional Budget Office (CBO) [estimates](#) that it will cost about \$35 billion over the next 10 years. So, the Biden team goes out the same way it came in: spending money hand over fist.

But wait! It is even better than that. This is a *proposed* rule, so there is essentially no chance that it will be finalized quickly. Thus, the incoming Trump Administration will be forced either to spend the money or to stop the rulemaking process and suffer the fallout of

taking something away from beneficiaries. It is no accident that the new administration will be caught between a rock and hard place.

There is even the extra drama for the fact that HHS Secretary-nominee Robert F. Kennedy Jr. has been an outspoken critic of AOMs.