The Daily Dish

The Future of AOMs in Medicare

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Following Trump Administration best practice, the Centers for Medicare and Medicaid Services (CMS) announced on Friday:

> *We also do not intend to finalize the following provisions from the proposed rule: Enhancing Health Equity Analyses: Annual Health Equity Analysis of Utilization Management Policies and Procedures, Part D Coverage of Anti-Obesity Medications (AOMs) and Application to the Medicaid Program, and Ensuring Equitable Access to Medicare Advantage Services—Guardrails for Artificial Intelligence (AI). CMS, however, does want to acknowledge the broad interest in regulation of AI and will continue to consider the extent to which it may be appropriate to engage in future rulemaking in this area.*

The proposed rule was a "gift" from the Biden Administration. It proposed to re-classify anti-obesity medicines (AOMs) as treating the chronic disease obesity instead of "lifestyle drugs" that Medicare is prohibited from covering. Now that the Trump Administration has rejected this politicized rulemaking, we are left with two questions. The first is, why?

The Congressional Budget Office put the price tag at $35 billion over 10 years. Is dropping the rulemaking simply an act of newfound fiscal rectitude on the part of the administration? Or does the move reflect the views of the new Secretary of Health and Human Services, Robert Kennedy Jr., who is on record saying:

> *"If we just gave good food, three meals a day, to every man, woman and child in our country, we could solve the obesity and diabetes epidemic overnight." He added that the drug's maker, Novo Nordisk, is "counting on selling it to Americans because we are so stupid and so addicted to drugs."*

Time will tell. The second question is, why did the administration reserve the right to reconsider the decision in the future? Should we view this as the administration expressing a distaste for rulemaking shortcuts and instead blessing a normal Medicare coverage decision? That would be a newfound rectitude as well.