



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-048: DIABETES PREVENTION & OBESITY TREATMENT ACT

Prime Sponsors:

Sen. Michaelson Jenet
Rep. Brown; Mabrey

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Fiscal note status: This revised fiscal note is provided pursuant to Senate Rule 25(e) and reflects the amendment adopted by the Senate Appropriations committee. This analysis is preliminary and will be updated pending additional information regarding state employee coverage costs.

Summary Information

Overview. The bill requires individual and group health insurance plans to provide coverage for the treatment of obesity and pre-diabetes, and the option to purchase FDA-approved anti-obesity medications, with certain exceptions.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Diverted Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

This bill requires individual and group health insurance plans to provide coverage for the treatment of obesity and pre-diabetes. Specifically, it requires coverage for:

- the National Diabetes Prevention Program;
- medical nutrition therapy;
- intensive behavioral or lifestyle therapy; and
- metabolic and bariatric surgery.

For large group health benefit plans, insurers must offer the option to purchase coverage for federal Food and Drug Administration (FDA)-approved anti-obesity medications, including at least one FDA-approved GLP-1 medication, unless the cost of premiums would not cover the expected benefits. The state insurance commissioner may adopt rules to implement the bill.

Background

Anti-Obesity Medications Recent Market Changes

Approved Uses

Glucagon-like peptide 1 (GLP-1) agonists can enhance the secretion of insulin. Over ten different products have been approved as a diabetes treatment over the past 20 years. GLP-1 with the active ingredient semaglutide or tirzepatide have been shown to be especially effective for weight-loss by decreasing appetite and slowing digestion.

Since 2017, two semaglutide drugs have been approved for diabetes treatment: Ozempic and Rybelsus. In June 2021, a new semaglutide medication was approved for weight loss management, Wegovy. All three drugs are produced by Novo Nordisk. In March 2024, Wegovy was approved for reducing the risk of major cardiovascular events in patients with a history of heart disease.

Since 2022, one tirzepatide drug has been approved for diabetes treatment, Mounjaro. In November 2023 a new tirzepatide drug was approved for weight loss management, Zepbound. Both drugs are produced by Eli Lilly. In December 2024, Zepbound was approved for moderate-to-severe obstructive sleep apnea (OSA) management.

Actuarial Analysis

An actuarial analysis of Comprehensive Obesity and Pre-Diabetes Coverage was conducted by an independent contractor, per the requirements of Senate Bill 22-040. The report may be obtained in its entirety on the [Division of Insurance website](#).

State Expenditures

The bill affects state agency workload, and potentially costs, as outlined below.

Department of Regulatory Agencies

Workload will minimally increase for the Department of Regulatory Agencies (DORA) to establish coverage standards for FDA approved anti-obesity medication, which can be accomplished within existing appropriations.

State Employee Health Insurance

To the extent the state chooses to purchase coverage for anti-obesity medications as part of the state employee health insurance plans, costs will increase. The fiscal note assumes that state employee insurance plans can choose not to buy this coverage, and thus no change in appropriation is required. Appropriations may be adjusted through the annual budget process as necessary if the state choose to include this coverage. It is assumed that the other coverage requirements in the bill are already covered or are substantially similar to existing coverages under the state employee health plans, and will not significantly affect cost for state employee health coverage.

It is assumed that the bill will apply to state employee health plans issued or renewed after the bill's effective date, starting in FY 2026-27.

Local Government

Similar to state employee insurance, to the extent that local government insurance plans choose to provide coverage for the required weight loss treatments, costs for employee health insurance coverage will increase. The exact impact to local governments will vary depending on current coverage and how health insurance premiums are shared by local governments and employees.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies

Personnel