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Medicare indefinitely delays pilot plan to cover weight loss drugs

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The Centers for Medicare and Medicaid Services has delayed a key pilot program focused on Medicare coverage for obesity medications, after insurance plans indicated they wouldn't participate at this time.

Abe Sutton, head of the Center for Medicare and Medicaid Innovation, told Endpoints News in an interview Thursday that health plans were hesitant to join the pilot, citing instability in the Medicare Part D market and unknown utilization of the drugs.

"They shared with us that it was important that we take a beat and give them a chance to collect data so that they could underwrite this effectively in a future time period," Sutton said.

Instead, the government will foot the bill for an additional year, extending bridge coverage through 2027. Sutton said there was not a new date for the government pilot program, called BALANCE, to take effect. It was originally set to begin at the start of 2027.

Sutton added that the government will continue its discussions with health plans in the meantime. He said CMS aims to provide plans data on how each beneficiary participating in the bridge program is utilizing the drugs.

The pilot and associated bridge program would cover the obesity medications for patients depending on their body mass index and associated health conditions. For patients with a BMI under 35, beneficiaries must have a related comorbidity to qualify for coverage. Sutton said plans did not raise any concerns with which patients would qualify.

"No one is looking at the coverage criteria and being like, 'This is too generous,'" Sutton said. "They all share our commitment in trying to give broad access here."

Sutton wasn't able to share an expected cost to the government for expanding the bridge program, saying it depends on utilization.

The announcement from CMS comes a day after the deadline passed for plans to opt into BALANCE. But over the course of Tuesday, insurers signaled reservations, or outright said they weren't participating in the model's current form.

"We'd like to find a path to yes there on coverage over time, but there are some notable challenges and outstanding questions with the currently planned structure," Bobby Hunter, CEO of government programs at UnitedHealthcare, said on Tuesday's earnings call.

A spokesperson for Aetna told Bloomberg that the company did not sign up for the pilot, but declined to comment when reached by Endpoints. Spokespeople for Centene and Humana did not respond to multiple requests for comment.

BALANCE, in practice, is meant as the mechanism for weight loss medicines to be covered in Medicare and state Medicaid plans. It created a loophole given that under current statute, Medicare doesn't cover anti-obesity medications. But covering the drugs was a major tenet of the government's drug pricing deal last year with makers of the drugs, Eli Lilly and Novo Nordisk. In exchange for reductions in the cash paying price of the injectable medicines, Medicare Part D plans would begin covering the therapies, with patients paying no more than \$50 out of pocket.

Shares of Lilly and Novo fell Tuesday as the stances of plans came out.

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