

Trump's Obesity Drug Plan for Medicare Would Cost Insurers Billions

A close-up of a vial and syringe.

Photographer: Tanja Ivanova/Moment RF

By [Rachel Cohrs Zhang](#)

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President Donald Trump's plan to cover weight-loss medications for some people in the Medicare program for the elderly would cost the health insurers billions in its first year, a new analysis found.

The Trump administration has argued that the lower prices it negotiated with drugmakers last year would offset the cost of adding coverage for millions of new patients. The plan will "expand access and lower prices for obesity GLP-1 medication without passing the bill to taxpayers," Mehmet Oz, director of the Centers for Medicare and Medicaid Services, [said in a video](#) promoting the plan.

But a new analysis undercuts that claim. Savings of more than \$900 million during the program's first year would only cover the costs for an estimated 4.4% of the patients who would become newly eligible for the drugs, according to researchers led by Vanderbilt University Professor of Health Policy Stacie Dusetzina.

The findings published in the Journal of the American Medical Association come ahead of a crucial April 20 deadline for health insurers to decide whether they will join the optional program next year. The Trump administration has said it won't proceed with the plan unless insurers covering 80% of the Medicare population join.

All of the major insurers participating in Medicare's drug benefit program would need to opt-in to hit that threshold. Dusetzina said she

doesn't see any clear path for the plans to increase access without a significant financial hit.

“There is no way they could expand coverage without it affecting premiums pretty dramatically,” Dusetzina said.

As part of the administration's so-called “most favored nation” [drug pricing deals](#) with pharmaceutical companies, the Trump administration promised [Eli Lilly & Co.](#) and [Novo Nordisk A/S](#) that officials would create a path to cover the blockbuster weight-loss drugs in Medicare, a lucrative new market. Right now, they are only available for Medicare patients with other conditions like heart disease or diabetes.

Insurance plans are evaluating whether they will participate in the pilot program, but generally believe seniors should have access to the medications, said Jeanette Thornton, the executive vice president of policy and strategy at AHIP, a lobbying group for the industry.



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