



FACT SHEET

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## ACCESS TO CARE

### Morbid Obesity & Metabolic and Bariatric Surgery

#### OBESITY AND HEALTHCARE

- About 15 million people in the U.S. have morbid obesity but only 1% of the clinically eligible population is treated for morbid obesity through bariatric surgery<sup>1</sup>
- Obese individuals spend 42% more on medical expenses and 77% more on medications per year than individuals of normal weight<sup>2,3</sup>
- Direct obesity-related health spending reached \$147 billion in 2008, double what it was a decade ago<sup>4</sup>; projected to cost the U.S. \$344 billion each year by 2018<sup>5</sup>

#### BARIATRIC SURGERY AND INSURANCE COVERAGE

- Insurers recover their costs for bariatric surgery in two to four years, depending on the type of surgery performed<sup>6</sup>
- About 25% of patients considering bariatric surgery are denied insurance coverage three times before getting approval
  - About 60% report their health worsened during this waiting period<sup>7</sup>
- Patients required by insurers to complete a six-month medical weight loss program before bariatric surgery do no better with post-operative weight loss than those who have no requirement<sup>8</sup>

#### FEDERAL AND STATE LEGISLATION

**Centers for Medicare & Medicaid Services (CMS)** established national coverage policy for bariatric surgery to help reduce significant health risks associated with obesity, including death and disability (2006)<sup>9</sup>; modified policy in 2009 to specify Type 2 diabetes as one of the co-morbidities it would consider in determining coverage<sup>10</sup>

The **FDA** lowered BMI requirements in February 2011 for gastric banding with Lap-Band® for individuals with a BMI between 30-40 with at least one obesity-related condition<sup>11</sup>

**Mississippi** law requires state employee health plan to provide coverage of obesity treatment, including medical weight management and bariatric surgery, for 100 employees a year (2009)<sup>12</sup>

**New Hampshire** law requires health insurers to offer bariatric surgery as a treatment option for obesity-related diseases (2008)<sup>13</sup>

**Georgia, Indiana, Maryland** and **Virginia** laws recommend insurers offer coverage, or mandate that the insurer offer coverage for additional premiums, for bariatric surgery to treat morbid obesity<sup>14</sup>

**Oregon** and **Indiana** courts ruled in 2009 that state worker's compensation insurance cover bariatric surgery for employees injured at work when weight loss is necessary to successfully treat the original injury<sup>15,16</sup>

**South Carolina** legislature approved bariatric surgery coverage for 100 state workers in a pilot program (2011); surgery for state workers had previously been covered from 2001 to 2004 but ended in 2005<sup>17</sup>

**Arkansas'** Act 855 states insurance coverage for surgeries to treat people who are morbidly obese would be available to state employers and public school teachers. Coverage includes gastric bypass and gastric banding surgery<sup>18</sup>

**Tennessee's** TennCare Medicaid program only pays for the morbidly obese to lose weight through bariatric surgery, and does not pay for counseling by dietitians. Average price to TennCare, including facility costs, is about \$20,000<sup>19</sup>

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- <sup>1</sup> JB Dixon. "Adjustable Gastric Banding and Conventional Therapy for Type 2 Diabetes. *Journal of the American Medical Association*. 2008. 299(3):316-323.
- <sup>2</sup> R Sturm. "The Effects of Obesity, Smoking, and Drinking on Medical Problems and Costs." *Health Affairs*. 2002. 245-253.
- <sup>3</sup> EA Finkelstein. "Financial Implications of Coverage for Laparoscopic Adjustable Gastric Banding." *SOARD*. 2010. 1-9.
- <sup>4</sup> EA Finkelstein. "Annual Medical Spending Attributable To Obesity: Payer-And Service-Specific Estimates." *Health Affairs*. 2009. 28(5):822-831.
- <sup>5</sup> K Thorpe. America's Health Rankings. "The Future Costs of Obesity." 2009.
- <sup>6</sup> PY Crémieux et al. "A Study on the Economic Impact of Bariatric Surgery." *The American Journal of Managed Care*. 2008.
- <sup>7</sup> American Society for Metabolic and Bariatric Surgery: <http://www.medicalnewstoday.com/articles/111681.php>.
- <sup>8</sup> TS Kuwada et al. "Insurance Mandated Medical Programs Prior to Bariatric Surgery: Do Good Things Come to Those Who Wait?" *SOARD*. 2010.
- <sup>9</sup> Decision Memo for Bariatric Surgery for the Treatment of Morbid Obesity (CAG-00250R). [Cited April 2010]. Available from : <http://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?from2=viewdecisionmemo.asp&id=160.&>
- <sup>10</sup> Centers for Medicare & Medicaid Services. Decision Memo for Surgery for Diabetes (CAG-00497N), February 12, 2009.
- <sup>11</sup> U.S. Food and Drug Administration (FDA). FDA expands use of banding system for weight loss, 2011. Updated 3 March 2011. [Cited March 2011] Available from: <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm245617.htm>
- <sup>12</sup> Mississippi State Legislature. House Bill 1530. "Obesity; establish program to address problem of high rate in Mississippi with bariatric surgery" [Cited April 2010] <http://billstatus.ls.state.ms.us/2009/pdf/history/HB/HB1530.xml>
- <sup>13</sup> The Associated Press. "NH gov lets bill become law on weight-loss surgery." *Boston Globe*. 15 July 2008. [Cited April 2010]. Available from: [http://www.boston.com/news/local/new\\_hampshire/articles/2008/07/15/nh\\_gov\\_lets\\_bill\\_become\\_law\\_on\\_weight\\_loss\\_surgery/](http://www.boston.com/news/local/new_hampshire/articles/2008/07/15/nh_gov_lets_bill_become_law_on_weight_loss_surgery/).
- <sup>14</sup> VW Vanek. "State Laws on Insurance Coverage for Bariatric Surgery: Help or Hindrance?" *SOARD*. 2005. 424-429.
- <sup>15</sup> The Associated Press. "Weight loss surgery covered by state, court rules." 27 August 2009. [Cited April 2010]. Available from: [http://www.oregonlive.com/news/index.ssf/2009/08/weight\\_loss\\_surgery\\_covered\\_by.html](http://www.oregonlive.com/news/index.ssf/2009/08/weight_loss_surgery_covered_by.html).
- <sup>16</sup> The Associated Press. "Pizza shop forced to pay for weight-loss surgery." 10 September 2009. [Cited April 2010]. Available from: <http://www.msnbc.msn.com/id/32781900>.
- <sup>27</sup> The State. "Weight-loss surgery for 100 obese state workers gets OK." 13 Aug 2010. Available from: <http://www.thestate.com/2010/08/13/1415952/pilot-program-draws-criticism.html>
- <sup>18</sup> Arkansas State Legislature. House Bill 66, "An Act to Require Health Benefit Plans to Provide Coverage for the Treatment of Morbid Obesity; and for Other Purposes." [Cited March 2011]. Available from: <http://www.arkleg.state.ar.us/assembly/2011/2011R/Bills/SB66.pdf>
- <sup>19</sup> The Associated Press. "Critics Say TennCare Should Pay for Dietitians." 6 March 2011. [Cited March 2011]. Available from: [http://www.msnbc.msn.com/id/41936490/ns/health-diet\\_and\\_nutrition/](http://www.msnbc.msn.com/id/41936490/ns/health-diet_and_nutrition/)

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