STATE OF MICHIGAN

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Before the Director of the Department of Insurance and Financial Services

In the matter of:

[redacted]
Petitioner

v

[redacted]**, Plan Sponsor**

and

OptumRx, Inc., Plan Administrator
Respondents

File No. 244803-001-SF

Issued and entered
on March 20, 2026
by Joseph Stoddard
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On February 26, 2026, [redacted] (Petitioner), filed with the Director of the Department of Insurance and Financial Services an appeal of their health plan's denial of authorization for a prescription drug.

The appeal was filed under Public Act No. 495 of 2006, MCL 550.1951 *et seq*. Section 2 of Act 495, MCL 550.1952, requires the Director to provide external reviews to individuals covered by a self-funded health plan that is established or maintained by a state or local unit of government as though that person were a covered person under the Patient's Right to Independent Review Act (PRIRA). The Petitioner's health benefit plan is such a governmental self-funded plan. The plan is sponsored by the [redacted]. OptumRx, Inc. (OptumRx) is the plan administrator. The Petitioner's benefits are described in the *2026* [redacted] *Employee Benefits Open Enrollment* document (the BOE) and the OptumRx *2026 Premium Standard Formulary* (the formulary).

The Director requested that OptumRx provide the information used to process the Petitioner's claim. OptumRx responded on February 27, 2026. On March 5, 2026, the Director accepted the request for external review.

The issue in this external review can be decided through a contractual analysis. The Director reviews contractual issues pursuant to MCL 550.1911(8). This matter does not involve medical issues requiring analysis by an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner is diagnosed with obesity, obstructive sleep apnea (OSA), high cholesterol, high blood pressure, and pre-diabetes. On July 16, 2025, they began taking the prescription drug Zepbound for their OSA, obesity, and related conditions. As of February 2026, the Petitioner has lost 81 pounds. The Petitioner's physician recommended continued treatment with Zepbound and asked OptumRx to authorize coverage. OptumRx denied the request on the basis that Zepbound is no longer a covered benefit for the treatment of weight loss or OSA.

The Petitioner appealed the denial through OptumRx's internal grievance process. At the conclusion of that process, OptumRx issued a final adverse determination dated February 3, 2026, affirming its coverage denial. The Petitioner now seeks the Director's review of that determination.

III. ANALYSIS

Respondent's Argument

In its final adverse determination, OptumRx wrote:

> We reviewed all of the information you and/or your doctor sent to us and sent the information to an appropriate physician specialist if needed. Unfortunately, we must continue to deny coverage for Zepbound.
>
> **Why was my request denied?**
>
> The denial stands because you did not meet the following clinical requirements:
>
> Upon review of the available information, it was determined that the previous decision should be upheld because the requested medication is excluded by your plan. The Exclusions and Limitations section of your Evidence of Coverage states that Zepbound is not a covered pharmacy benefit and is thus excluded. The denial is therefore appropriate and consistent with your benefits. Please contact your physician for further directions. Reviewed by: RPh, Pharmacist reviewer
>
> This denial is based on our Zepbound drug coverage policy, in addition to any supplementary information you or your prescriber may have submitted.

Petitioner's Argument

In the request for review, the Petitioner wrote:

I was prescribed and began taking Zepbound on July 16, 2025. A Prior Authorization was submitted and approved for treatment of obstructive sleep apnea along with co-morbidities of obesity, high cholesterol, high blood pressure, pre-diabetes. I was diagnosed with severe obstructive sleep apnea - with a sleep study indicating an AHI of 53.5 events per hour. My beginning weight when starting Zepbound was 280 lbs. I began on the starting 2.5mg dosage and successfully titrated up every month after experiencing improvement in sleep apnea symptoms and significant incremental weight loss, along with very minimal to no side effects. I have been steady on the highest 15mg dosage for the last several months and have continued to experience tremendous improvement. As of today, I have lost 81 lbs. since July 16, 2025, which equates to approximately 29% of my total body weight percentage.

My provider submitted a Prior Authorization to continue Zepbound on 1/26/26, which was promptly denied the same day (see attached). An appeal was then submitted on 2/2/26, which was denied the next day (see attached). After following up with OptumRx's Appeals department, I was informed to submit a 2nd level appeal for consideration, which was done on 2/23/26. I followed up with OptumRx a short time ago to inquire as to whether the appeal was received, and was informed that the appeal was canceled due to OptumRx not being delegated to review it…. Information was then provided on how to file an external appeal, which is what leads me to submitting this information today.

Requested Resolution

I am respectfully requesting a review of all documentation provided, including a very comprehensive appeal letter outlining all the ways I qualify and meet the criteria for Zepbound, my demonstrated success after having been on it for the last several months, my commitment to continuing to make better choices concerning my health and diet, and the negative effects it would have if I have to abruptly discontinue use of Zepbound.

Thank you in advance for your prompt consideration.

Director's Review

The Benefits Open Enrollment (BOE) document (page 3) states in pertinent part:

… Effective January 1, 2026, GLP-1 inhibitors (e.g., Saxenda, Wegovy, and Zepbound) will no longer be covered under the [redacted] PPO and [redacted] HDHP for weight management or sleep apnea but will continue to be covered for diabetes management and cardiovascular diagnoses.

All existing prior authorization approvals for GLP-1 inhibitors with a weight management or sleep apnea diagnosis will end effective December 31, 2025. You should work with your prescriber to consider alternative treatment options available…

In addition, the 2026 Premium Standard Formulary (page 44) excludes coverage for Zepbound noting it is a Tier 4 drug, which per page 4 means "Tier excluded" and goes on to say the drug "[m]ay not be covered or need prior authorization. Lower-cost options are available and covered." The formulary also states on page 2:

> **About this formulary**
>
> Where differences exist between this list and your benefit plan, the benefit plan documents rule…
>
> ***
>
> Why are some medications excluded from coverage?
>
> A medication may be excluded from coverage under your pharmacy benefit when it works the same as or is similar to another prescription or over-the-counter (OTC) medication.

The Petitioner was prescribed Zepbound for treatment of obesity and OSA. The BOE is clear that GLP-1 inhibitors will not be covered for indications other than diabetes management or cardiovascular diagnoses.

In the Petitioner's case, they were taking the drug for their obesity and OSA. Neither of these conditions qualify for coverage of Zepbound under the Petitioner's self-funded plan. The BOE is clear that GLP-1 inhibitors will not be covered for indications other than diabetes management or cardiovascular diagnoses. According to clarification from OptumRx, this is true only if the drug is FDA-approved for the diabetes management or cardiovascular diagnoses. The [redacted] health plan is a self-funded plan, which means they are not subject to the Michigan law that would require coverage of an exception for a nonformulary drug. Therefore, the Director finds nothing in the coverage documents or applicable law that would require OptumRx to authorize coverage for Zepbound to treat the Petitioner's obesity and OSA under the circumstances of this case.

The Director finds that OptumRx's denial of authorization of Zepbound is consistent with the terms of the Petitioner's benefit plan.

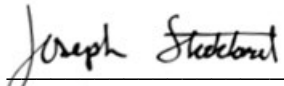
IV. ORDER

The Director upholds OptumRx, Inc.'s February 3, 2026, final adverse determination.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this order may seek judicial review no later than 60 days from the date of this order in the circuit court for the Michigan county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Appeals and Market Regulation, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox
Director

For the Director:



Joseph Stoddard
Special Deputy Director