



COST BURDEN:

Weight Loss Agents Insurance Challenges to Covering GLP-1s

According to the Pharmaceutical Strategies Group:

- Major cost challenge given the large population of eligibility
- Uncertainty of sustained weight loss
- Unknown long-term side effects
- Concerns about off-label use



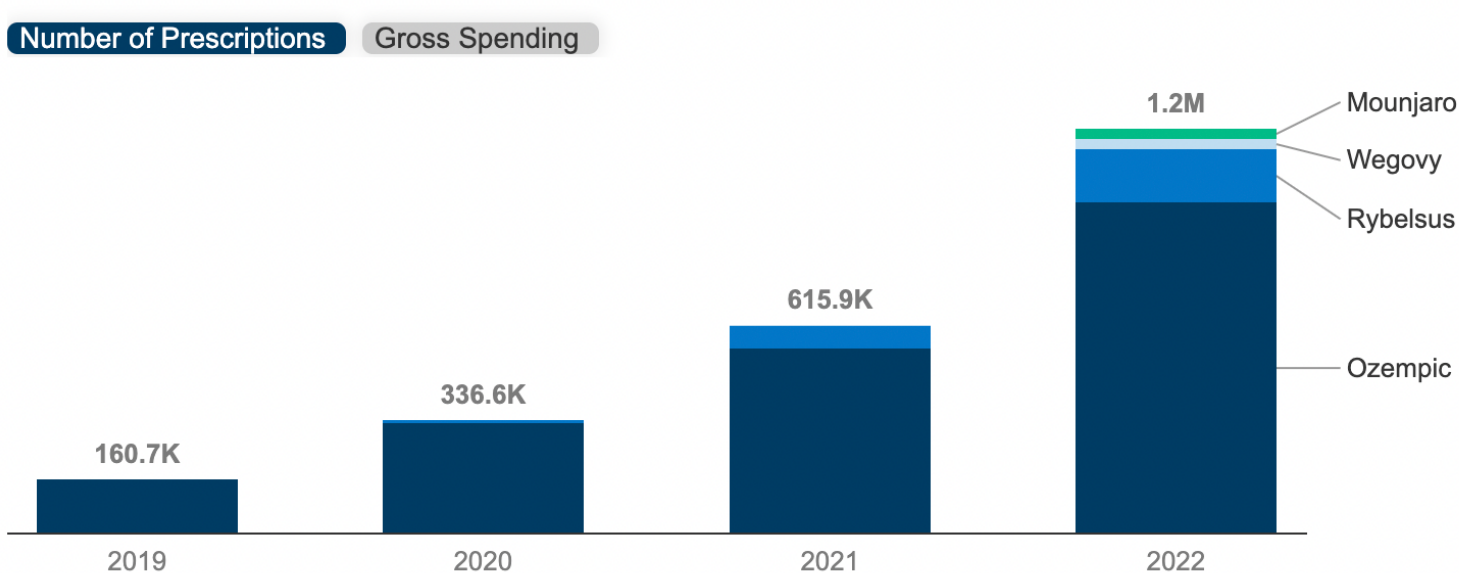
Due to the factors mentioned above, federal programs such as Medicaid are spending more on these drugs

Source: <https://www.fiercehealthcare.com/payers/cost-isnt-only-reason-payers-hesitate-cover-ozempic-weight-loss-drug>

Figure 1

Medicaid Utilization and Gross Spending on New Drugs Used for Weight Loss has Increased Rapidly in Recent Years

Number of Medicaid Outpatient Prescriptions for GLP-1 Agonists (Ozempic, Rybelsus, Wegovy, and Mounjaro) by Year



NOTE: GLP-1 = glucagon-like peptide-1. Gross spending is Medicaid spending before rebates. State Medicaid coverage of drugs approved for weight-loss (Wegovy in this analysis) is limited, but Ozempic, Rybelsus, and Mounjaro are approved to treat type 2 diabetes and covered by Medicaid in all states for that label indication.

SOURCE: KFF analysis of 2019-2022 State Drug Utilization Data, accessed August 2023. • PNG



Source: <https://www.kff.org/policy-watch/medicaid-coverage-of-and-spending-on-new-drugs-used-for-weight-loss/>

Why is it hard to find Weight Loss Medicines at Pharmacies?

- Shortages
 - Ongoing production issues as there is not enough supply to meet the demand
- Expensive Costs
 - Too expensive to carry due to the underpayment by the pharmacy benefits managers



What's the risk?

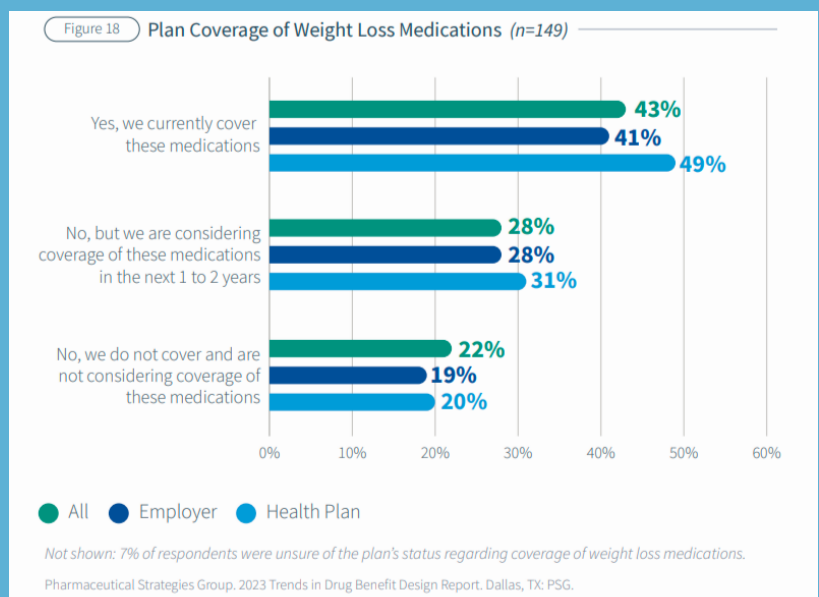
- The FDA's office of Criminal Investigation has identified fraudulent cases in which Ozempic is being discounted but not delivered
- For the sale of Ozempic and Mounjaro, the products are being counterfeited from China and are being sold in the form of injectable vials and labeled as Ozempic



Why Are Employers Restricting Access?

- GLP1s are costly being over \$1,000 for a 30 day supply. To see significant change in weight loss, employees would need coverage for several months.
- Cited lack of trusted information on the other uses of the drug such as controlling blood sugar, boosting weight loss, improving blood pressure and lowering the risk of heart disease.

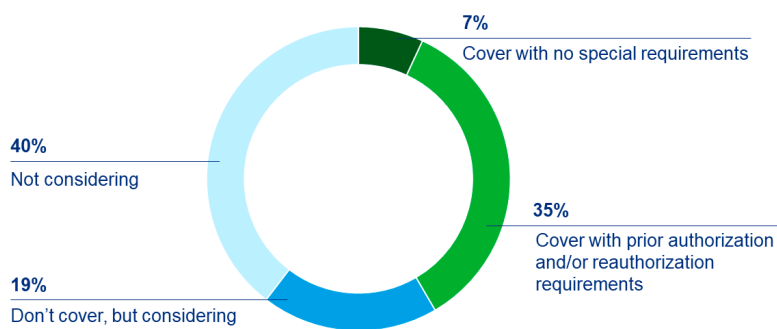
Pharmaceutical Strategies Group, a pharmaceutical management consulting company, surveyed 180 benefits executives and found the following regarding weight-loss drug coverage:



Source: <https://www.fiercehealthcare.com/payers/cost-isnt-only-reason-payers-hesitate-cover-ozempic-weight-loss-drug>

Cover GLP-1 drugs for treatment of obesity

Employers with 500 or more employees



According to a member of Mercer Pharmacy, the following survey results show what plan sponsors are doing to manage the costs and maximize the value of these weight-loss agents

Source: <https://www.mercer.com/en-us/insights/us-health-news/weight-loss-medications-q-and-a-with-mercers-pharmacy-team/>

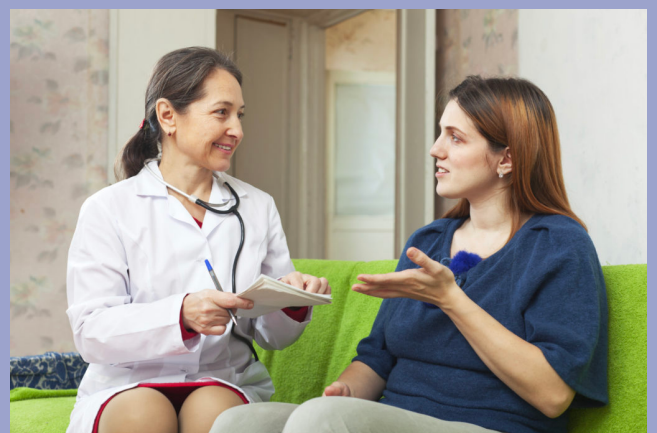
What are Employers Doing Instead?

- Some employers are adopting a wait-and-see approach before covering weight-loss drugs
- Other employers are permitting lower-cost weight loss drugs prior to covering GLP-1 agents
- Coverage for weight-loss programs as an alternative to weight-loss medications

Source: <https://www.exudeinc.com/blog/what-employers-should-know-about-popular-weight-loss-drugs/>

The Obesity Action Coalition (OAC) is offering treatment for obesity including:

- Behavior modification
- Community-based programs
 - Tops Club, Inc. (Take Off Pounds Sensibly)
 - YMCA Diabetes Prevention Program
- Commercial weight-loss options
 - Nutrisystem
 - Weight Watchers (WW)
- Physician-supervised options
- Bariatric surgery and devices



Source: <https://www.obesityaction.org/obesity-treatments/what-is-obesity-treatment/>

For more information on the cost burden and cost savings of GLP-1s, click on the following links:

<https://getsowell.com/blogs/sowell-news/will-your-insurance-approve-you-for-weight-loss-medication-here-s-how-to-find-out>

<https://www.nbcnews.com/health/health-news/new-weight-loss-drugs-effective-insurance-coverage-shortage-rcna32781>

<https://www.goodrx.com/classes/glp-1-agonists>

<https://www.goodrx.com/conditions/weight-loss>

