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Obesity Drug Coverage In Employer-Sponsored Plans On Slow Build Trajectory, Survey Finds

by Cathy Kelly

Large employer plan sponsors split on whether to cover GLP-1 drugs for weight loss, according to a recent survey.

About half (49%) of large employers currently cover GLP-1 agonists for obesity and plan to in 2024, according to results of an annual health care strategy survey released by the Business Group on Health 22 August.

But another 13% of respondents said they are considering adding coverage of the drugs for weight loss in 2025-2026, which would bring the total to nearly two-thirds of large employers.

By comparison, 92% of large employers already cover the GLP-1 drugs for diabetes and that percentage is expected to grow to 95% by 2025-2026. Respondents to the survey included 152 employers covering a total of 19 million individuals in the US.

“Those that haven’t decided [to cover the drugs for obesity] are giving a lot of consideration to a myriad of factors,” Business Group on Health president and CEO Ellen Kelsay explained during a press briefing on the survey. [

“Specifically, there are some concerns related to appropriateness. Some of these [drugs] are being used off label and not as indicated and approved by the [US Food and Drug Administration],” she added. “Certainly, there is also long-term reliance on the medication and the necessity for the medication to be coupled with lifestyle behavioral interventions.”

Novo Nordisk Pharma AG’s Wegovy (semaglutide) is the only GLP-1 currently approved for obesity in the US. But [#136:Eli Lilly and Company] is expected to obtain FDA approval for its GLP-1/GIP agonist tirzepatide for weight loss later this year. Lilly currently markets tirzepatide

for diabetes under the name Mounjaro.

Because high demand for Wegovy has led to persistent supply shortages, Novo's Ozempic (semaglutide) and Mounjaro have been used off label in obesity over the past year or so. (Also see "[Wegovy Starting Doses Restrictions Will Continue Through The Year](#)" - Scrip, 10 Aug, 2023.)

Currently, the most common criteria for covering GLP-1s for weight loss is that the drug must be indicated/approved for that purpose and paired with a lifestyle modification program, according to the survey. The plan member must also have a BMI greater than or equal to 30 or a BMI or greater than or equal to 27 with a comorbidity.

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Kelsay said she has not heard anecdotal reports that employers plan to scale back their current levels of obesity drug coverage going forward. "I think if they're doing anything to apply a little bit more scrutiny and consideration to their coverage it is looking at the requirements to have ... certain BMI levels [and] having to use the drugs in conjunction with lifestyle modification programs," she continued.

"They might be putting a little more rigor in place around those things, maybe raising the BMI to higher levels and looking at other considerations to make sure that the patient population that needs them most are the ones taking them."

Will Evidence Of Cardiovascular Benefit Boost Uptake?

It is unclear whether more survey respondents would have indicated an interest in covering GLP-1s for obesity in the coming years if they had known about the topline results from Novo Nordisk's SELECT trial showing a significant cardioprotective effect for Wegovy. The survey was fielded in June/July, just prior to release of the SELECT results on 8 August. (Also see "[SELECT: Novo Nordisk Comes Roaring Back](#)" - Scrip, 8 Aug, 2023.)

Some payers may wait until the FDA actually approves a cardioprotective claim for Wegovy,

which Novo is planning to seek later this year. Payers may also want real-world evidence regarding the impact that medication adherence has on health benefits because patients gain weight back after discontinuing treatment.

Evidence that the drugs' protection against major cardiac adverse events could lead to a reduction of other medical costs could also be important for coverage decisions. (Also see "[Obesity Market Potential Is Huge, But Access To Drugs An Increasing Challenge](#)" - Scrip, 14 Jul, 2023.) Lilly is working on developing such data to support coverage, Lilly Diabetes president Michael Mason said during the company's earnings call 8 August.

"We need to build long-term clinical and real-world evidence to support payer decisions, and we're doing that. We're spending literally billions of dollars in clinical evidence to show what tirzepatide and our pipeline can offer patients who have obesity, and payers, with regards to medical cost savings," he said.

Long-Term Cost Implications A Major Concern

The appropriate use and/or long-term cost implications of GLP-1s and other newer weight management medications ranks among the top five pharmacy concerns among employers, the survey found. A total of 85% of respondents said they were either concerned or very concerned with the issue.

A general concern with the pharmacy cost trend topped the list, with 91% of respondents ticking that box. A similar majority of employers indicated that the affordability to patients and plans of high-cost drugs in the pipeline, including cell and gene therapy, were significant concerns.

The survey also found that employers are spending a greater portion of their total health care budget on medicines. In 2022, the pharmacy benefit accounted for 24% of respondents' overall health care spend, up from 21% the year before.

"This is suggesting that virtually all of the ... increase in [health care spending] trend is coming largely from drugs costs," Kelsay pointed out. For employers, "the road ahead for prescription drug pharmacy looks quite daunting."