

GLP-1 STRATEGIC CONSIDERATIONS *for 2025 and beyond*

Buncombe County



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GLP-1's: Strategic Considerations

Common Perception

GLP-1 Medications have drastically increased the pharmacy spend due to rampantly escalating utilization.

The presumptions that influence this national dialog are as follows:

1. That the drugs are significantly more effective than previous generations of weight loss drugs,
2. That they are in-demand, well-tolerated and designed for long-term use,
3. That the prospects of a return on investment (both short-term and long-term) are very high,
4. And that there are no other options that are equally as effective or more affordable.

Another Perspective

- > GLP-1's may be in demand, but much of that may be attributable to marketing.
- > GLP-1's are NOT significantly more effective than previous generations of weigh loss drugs.
- > GLP-1's are NOT well-tolerated, so long-term use is not the primary concern.
- > There is strong evidence that prospects of a positive return on investment in the short-term is not feasible. There is serious concern that positive risk reduction in the long term may be more than offset by serious side-effects and chronic complications.
- > There are treatments options that are nearly as effective, much more affordable, without serious side effects.

Conclusion: There is no imperative to promote GLP-1's now. Given the availability of other successful and affordable options, it may be prudent to wait until long-term safety studies have been conducted. The most conservative approaches would be to exclude GLP-1's, or to include them as a potential solution – another “tool on the tool belt” – to be used sparingly, and only as indicated.



REVIEW OF AVAILABLE INFORMATION

1 Demand

- Increase in Utilization
- Prevalence of Diabetes & Obesity
- Impact on Formulary

4 Short-Term Return

Do Drugs Costing \$15,000 Annually Generate >\$15,000 Annually in Savings?

2 Comparative Efficacy

Results of Previously Available Medications

5 Long-Term Return

- Risk Reduction vs Side Effects
- Chronic Complications
- Cost of treating side effects

3 Tolerance

Percent of Patients that can tolerate the Medication for more than a Year

6 Other Treatment Options

- Lifestyle
- Lifestyle + Other Medication
- Other Medications
- Bariatric Surgery



REVIEW OF AVAILABLE INFORMATION

1 Demand

- 8 GLP-1's Exist for Diabetes, 3 for Obesity
- As much as 40% of use is Off-Label for Diabetes Medications for Obesity

Diabetes GLP1s – 1/1/24 – 8/24/24

	# of Scripts	# of unique utilizers	Plan Paid	Member Cost
GLP1s:				
Mounjaro	199	49	\$224,457.75	\$7,113.10
Ozempic	537	110	\$571,709.06	\$20,771.53
Rybelsus	31	9	\$36,832.69	\$1,360.00
Trulicity	73	23	\$76,684.63	\$2,722.00
Victoza	3	1	\$2,234.04	\$150.00
Total	843	169*	\$911,918.17	\$32,116.63

Weight Loss GLP1s – 1/1/24 – 8/24/24

	# of Scripts	# of unique utilizers	Plan Paid	Member Cost
GLP1s:				
Saxenda	11	5	\$13,926.52	\$550.00
Wegovy	212	57	\$274,620.17	\$10,350.00
Zepbound	204	56	\$208,139.71	\$9,800.00
Total	427	108*	\$496,686.40	\$20,700.00

* sum of unique utilizers will not equal the total of unique utilizers as some utilizers will fill more than one type of GLP-1

REVIEW OF AVAILABLE INFORMATION

2 Comparative Efficacy of Other Rx

- GLP-1’s are showing weight reduction of 12% to 18% in studies lasting up to 2 years. One study of Mounjaro showed up to 22% weight loss at 72 weeks. *But real-world results are usually less than Clinical Results. And most patients can’t tolerate GLP-1’s for more than 6-12 months.*
- 15% weight loss is a reasonable assumption to use based on clinical trials.
- Efficacy of other medications:
 - Qsymia: 12% at 1 year
 - Orlistat: 9-12% at 1 year
 - Wellbutrin: 8-10% at 3 years
 - Lorcaserin: 8-9% at 1 year
 - Phentermine: 5% at 1 year
- Qsymia may cost \$150/month (need to check with pharmacy benefit manager).

Members taking AOMs

- Comparing members taking Anti Obesity Medications in 2021 vs. 2023.
 - Members taking AOMs have had an increase in spend of 54%.
 - Medical increase spend + 17.9%
 - Pharmacy increase spend + 148.6%
 - Blended increase + 54.2% or an additional \$669 PEPM

Members taking AOMs	2021	2023	% change
Total number of members – must have 36 months continuous enrollment to control for spend and other factors	11359	11566	
Medical PEPM	\$891.97	\$1,051.71	+17.9%
Pharmacy PEPM	\$343.02	\$852.63	+148.6%
Total PEPM	\$1,234.99	\$1,904.34	+54.2%



REVIEW OF AVAILABLE INFORMATION

3 Tolerance: Patients Still taking GLP-1's after 12 Months

- JAMA: 45% after 1 Year
- Prime Therapeutics:
 - 46% at 6 Months
 - 32% after 1 Year
 - 14% after 2 Years

4 Short-Term ROI

- Prime Therapeutics Study (in Appendix):
 - Compared to a statistically matched control group whose cost of treatment (medical + rx) was flat or decreased, the experimental arm of the study taking GLP-1's saw both medical and rx spend increase (net increase \$7,700).
 - The same results were observed for Ozempic and Wegovy, but with a net increase in the experimental arm of \$12,500.
- MyCatalyst Study:
 - The average member without a CORE Condition has a PMPM of \$817 PMPM, which is \$9,804 when annualized.
 - Conceptually, this is the “basement.” Theoretically, this is the target we would want to drive spend down towards.
 - The PMPM for the Diabetic population is \$916 PMPM (or \$10,992 annually).
 - Is it worth it to spend over \$10,000/year on Drugs to drive \$1,188 in savings?



REVIEW OF AVAILABLE INFORMATION

5 Long-Term ROI

- **Reduction in Cardiovascular Risk Factors and Major Adverse Cardiovascular Events**
 - Improvement in Weight, Blood Pressure, Lipids, Blood Sugar
 - Possible resumption of pancreatic insulin production
 - Reduction of Major Adverse Cardiovascular Events of 14% over roughly 6 years (N Engl J Med 2023;389:2221-2232).
 - Reduction heart attack, stroke and cardiovascular mortality of 12-14% ([Cureus](#). 2023 Sep; 15(9): e45487.)
 - However, only a 0.0% to 0.8% reduction in Major Adverse Cardiovascular Events (Prime Study)
 - Other studies show mixed results.
- **Possible Short-Term Side Effects:**
 - Heartburn
 - Nausea, Vomiting, Diarrhea, Constipation
 - Dizziness, Rapid Heart Rate, Headache
 - Gallstones, Jaundice, Bowel Obstructions
- **Possible Serious Long-Term Side Effects**
 - Pancreatitis and Pancreatic Cancer
 - Acute Renal Failure
 - Thyroid Cancer
 - Bone Demineralization

REVIEW OF AVAILABLE INFORMATION

5 Cost of Treating GLP-1 Side Effects

Condition	Description	Prevalence in GLP-1 agonists	Average Cost to Treat
Acute Pancreatitis	Inflammation of the pancreas characterized by pain in the abdomen and elevated pancreatic enzymes.	0.03 -1%	\$9870
Gastroparesis (Stomach Paralysis)	Stomach muscles and nerves are delayed and cannot move food through intestines at normal pace.	0.03 - 0.53 %	\$15,579
Diabetic Retinopathy Complications	A disorder of the tiny vessels in the eye due to diabetes that could be progressive and create vision problems or loss.	2.3%	\$600 - \$1000/year
Cholelithiasis (Acute Gallbladder Disease)	Inflammation of the gallbladder due to an emptying blockage usually caused by gallstones or build up of bile particles.	0.79 - 1.56%	\$6,250 - \$18,750
Acute Kidney Injury	Sudden decrease in kidney function, which is often reversible and characterized by low filtration rate and urine output. Dialysis may be needed.	Low risk	\$7933 - \$42,077
Thyroid C-Cell Tumors	Growth that forms inside the thyroid gland also known as the medulla, can be cancerous or benign	No proven associated risk	\$1,400 - \$17,000

References:

1. The Effect of Glucagon-Like Peptide-1 Receptor Agonists on Diabetic Retinopathy at a Tertiary Care Center Joo, Julia H. et al. *Ophthalmology Science*, Volume 4, Issue 6, 100547
2. He L, Wang J, Ping F, et al. Association of Glucagon-Like Peptide-1 Receptor Agonist Use With Risk of Gallbladder and Biliary Diseases: A Systematic Review and Meta-analysis of Randomized Clinical Trials. *JAMA Intern Med.* 2022;182(5):513–519. doi:10.1001/jamainternmed.2022.0338
3. Sodhi M, Rezaeianzadeh R, Kezouh A, Etminan M. Risk of Gastrointestinal Adverse Events Associated With Glucagon-Like Peptide-1 Receptor Agonists for Weight Loss. *JAMA.* 2023;330(18):1795–1797. doi:10.1001/jama.2023.19574

REVIEW OF AVAILABLE INFORMATION

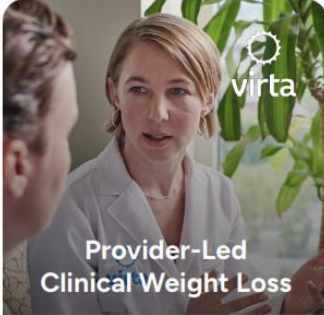
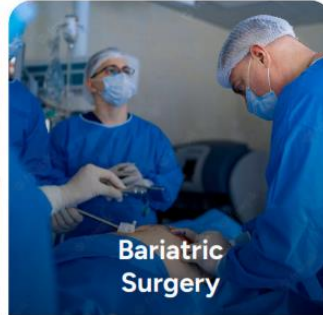
Additional Considerations

- How are companies treating coverage of GLP-1s (Wegovy, Ozempic, etc.)
 - In 2024 following is breakdown of employers offering coverage of GLP-1s:
 - County Government 16%
 - 1000+ employees 17%
 - Midsouth (NC, SC,GA) 8%
 - Breakdown of employers considering adding coverage of GLP1s:
 - County Government 5%
 - 1000+ employees 12%
 - Midsouth (NC, SC,GA) 4%

- How are public health plans handling coverage of GLP-1s (Wegovy, Ozempic, etc.)
 - NCSHP (North Carolina State Health Plan) – no longer covering effective 4/1/24
 - Medicaid
 - As of June 2024, 24 states do not offer coverage
 - Sixteen states and DC offer limited coverage
 - Medicare
 - Current law prohibits Medicare from covering drugs used for weight loss

REVIEW OF AVAILABLE INFORMATION

6 Other Treatment Options

	 <p>Traditional Diet & Exercise Programs</p>	 <p>Provider-Led Clinical Weight Loss</p>	 <p>GLP-1 Drugs</p>	 <p>Bariatric Surgery</p>
Avg weight loss at ~ 1 year (% reduction in bodyweight)	0–5%	13%	15%+	20%+
Est. List Price (for one year of treatment)	\$500	\$1,900	\$12,000+	\$20,000+
	<small>Chin, S., Keum, C., Woo, J. et al. Successful weight reduction and maintenance by using a smartphone application in those with overweight and obesity. Sci Rep. 2016; 6, 34563, Noom list price</small>	<small>McKenzie AL, et al. Nutrients. 2021; 13(3):749. Outcomes among one year completers, Virta list price</small>	<small>Wilding JPH, Batterham RL, Calanna S, et al. Once-Weekly Semaglutide in Adults with Overweight or Obesity. N Engl J Med. 2021;384(11):989-1002. Novo Nordisk; list price. https://www.novocare.com/wegovy/let-us-help</small>	<small>NTMC, "How much does bariatric surgery cost." Accessed 1/25/2023. Maciejewski ML, Arterburn DE, Van Scoyoc L, Smith VA, Yancy WS Jr, Weidenbacher HJ, Livingston EH, Olsen MK. Bariatric Surgery and Long-term Durability of Weight Loss. JAMA Surg. 2016 Nov 1;151</small>

Editorial Comment: Given that there are other options, is there a persuasive and affirmative case to be made that employers should actively and preferentially promote a medication that is 10x more expensive than previous generations of treatments, that is only marginally more effective, that can't be tolerated by more than 70% of patients, that has serious short- and long-term side effects, all for a non-existent short-term return-on-investment, and with serious side effects that might offset any potential long-term return-on-investment?

Appendix



USI's Perspective on GLP-1s for Weight Loss

- We expect additional GLP-1s to be approved for **weight loss** in the near future and **employers need to determine if they want to cover them under their health plan.**
 - ~50% of payers and employers covered weight loss medications before Wegovy's approval. **That has increased to between 65-75%, most of whom require PA before covering.**
 - Nationally, **only 33% of people with private insurance have unrestricted access to weight loss medications**, i.e., no Prior Authorization, Step Therapy etc. required.
 - It appears more stringent prior authorizations are needed as current criteria seems too liberal.
- Coverage of GLP-1s for weight loss under the pharmacy benefit has a projected **total health plan claim cost of 7%-12% based upon expected utilization norms.**
- Employers should continue to cover GLP-1s for individuals diagnosed with type 2 diabetes.

Options for Managing the Cost of GLP-1s

	Solution	Area of Focus	Financial Impact	Disruption
1	Strategic Drug Exclusions	Limiting weight loss (GLP1s), and other lifestyle drugs, and OTC drugs	3 – 5% of pharmacy expense or 1% of total plan cost.	New weight loss drugs are in high demand by members and are extremely expensive.
2	Independent Prior Authorization	Clinical Efficacy/ Necessity of Specialty Drugs	Depending on utilization, savings could be 25% of Rx cost or 5% of total plan cost.	Less than 2% of members are on specialty drugs, yet these account for as much as 50% of total drug spend.
3	Formulary Management Regarding Wasteful Drugs	Eliminating specific high-cost drugs and replacing with clinical equivalents.	3 – 5% of pharmacy expense or 1% of total plan cost.	All medical conditions continue to be covered; some brand name drugs are eliminated.
4	Establishing Appropriate Quantity Limits	Reducing number of pills per script to avoid waste and abuse. <i>If covering GLP-1s for weight loss, consider limiting the number of cycles covered by the plan.</i>	2 – 4% of pharmacy cost or less than 1% of total plan spend.	Significantly reduce exposure to overdose and distribution.

Weight loss treated GLP-1a new initiators compared to match control

	GLP-1a pre-year (N=4,255)	GLP-1a post-year (N=4,255)	Control pre-year (N=12,379)	Control post-year (N=12,379)	Annual difference-in-difference (95% CI)	P-value
Rx (total) mean spending*	\$2,780	\$8,945	\$2,129	\$2,539	\$5,755 (\$4,918 to \$6,678) favors control	<.0001
Medical (total) mean spending*	\$9,620	\$10,792	\$9,479	\$8,636	\$2,015 (\$1,149 to \$2,957) favors control	<.0001
Rx & medical (total) mean spending*	\$12,371	\$19,657	\$11,590	\$11,150	\$7,727 (\$6,541 to \$8,989) favors control	<.0001

Key findings

- GLP-1a group annual mean medical spend increased \$1,172 while control group decreased \$843
- **\$7,727 total cost of care one-year increase per GLP-1a weight loss treatment member compared to untreated**

*All members annual cost capped at \$250,000 due to outlier skew impact and stop loss generally starts at \$250,000 annually
CI = confidence interval

Spending change: One-year comparison for semaglutide injection adherent (Ozempic or Wegovy)



Subgroup – 17% (N=718) who were semaglutide injection adherent (Ozempic or Wegovy)

	GLP-1a pre-year (N=718)	GLP-1a post-year (N=718)	Control pre-year (N=2,072)	Control post-year (N=2,072)	Annual difference-in-difference (95% CI)	P-value
Rx (total) mean spending*	\$2,853	\$14,530	\$2,382	\$2,672	\$11,387 (\$8,160 to \$15,535) favors control	<.0001
Medical (total) mean spending*	\$10,050	\$10,729	\$9,668	\$9,126	\$1,221 (-\$814 to \$3,733)	0.2514
Rx & medical (total) mean spending*	\$12,886	\$25,205	\$11,990	\$11,735	\$12,574 (\$9,048 to \$16,674) favors control	<.0001

Key findings

- GLP-1a group annual mean medical spend increased \$679 while control group decreased \$542
- **\$12,574 total cost of care one-year increase per GLP-1a weight loss treatment member compared to untreated**

*All members annual cost capped at \$250,000 due to outlier skew impact and stop-loss generally starts at \$250,000 annually
CI = confidence interval