



# GLP-1 Research

**A**mong increasing cost drivers in 2023, Type 2 diabetes spend was a top concern for many employers. One costly element of diabetes management is pharmacy, which includes GLP-1 prescriptions. GLP-1 medications have side effects, including weight loss. 2023 data shows an unprecedented rise in off-label utilization (or using a GLP-1 only approved for Type 2 diabetes without a Type 2 diabetes diagnosis).

Vital Incite's claims database shows that in the last 12 months, GLP-1 drugs accounted for 13% of total drug spend for employers. This trend is resulting in a large impact on employer healthcare spend (and bottom line). Social media and celebrities have influenced consumer awareness, with GLP-1 positioned as a quick fix to drop excess weight. According to the biotech analytics firm IQVIA, more than \$491 million was spent on advertising in 2023, a 21% increase over 2022, contributing to much of the increased utilization.

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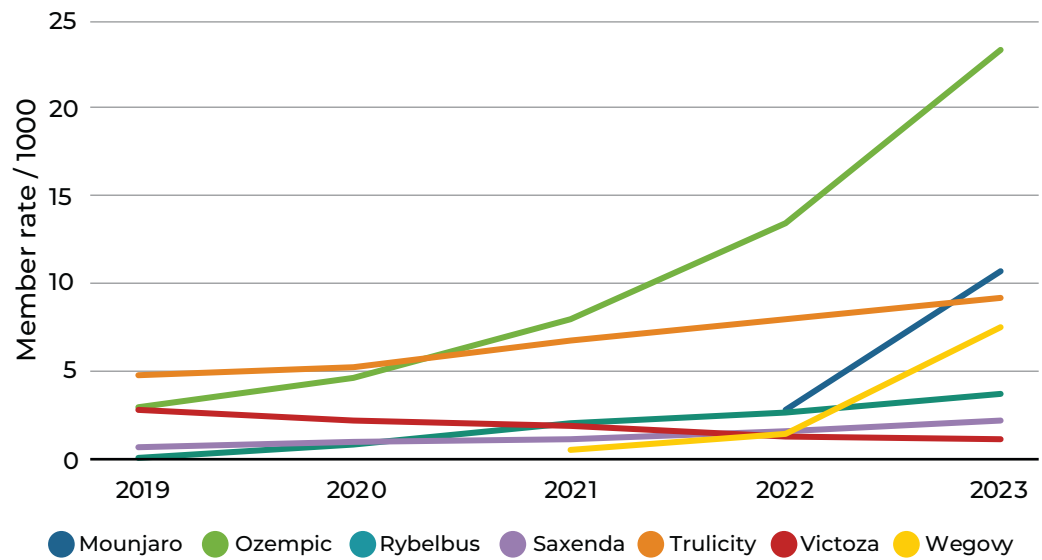
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With a \$37 billion GLP-1 sales forecast for 2025, based on AEC Rx interviews with industry resources and review of relevant articles, employers are advised to be proactive. Strategic partnerships, increased accountability and communication with pharmacy benefit managers (PBMs), along with understanding their population’s health plan utilization, are instrumental to employers successfully navigating this sensitive topic.

Vital Incite’s claims database shows that GLP-1 utilization increased 90% from the prior 12-month period (October 2021–November 2022). Member use increased almost 500% since 2019, to 51 members per 1,000 in 2023, with most users being employees (vs. other dependents).

Overall utilization varies by GLP-1 drug, with Ozempic trending the highest, accounting for 39% of GLP-1 total spend.

Member Rate per 1,000 by GLP-1 Drug



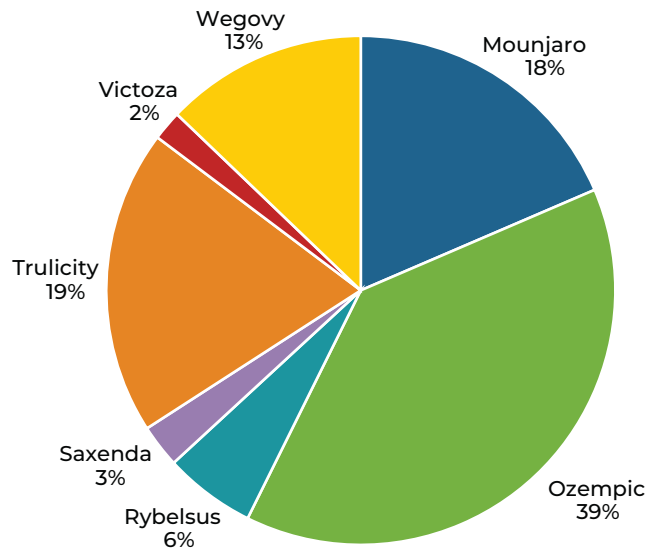
\*Effective GLP-1s included those cited in the chart: Mounjaro, Ozempic, Rybelsus, Saxenda, Trulicity, Victoza and Wegovy; Byetta and Bydureon had minimal impact.

Source: Vital Incite

Strategic partnerships, increased accountability and communication with pharmacy benefit managers (PBMs), along with understanding their population’s health plan utilization, are instrumental to employers successfully navigating this sensitive topic.

Employers need to evaluate the investment, remembering that studies have shown higher success rates when accompanied by behavioral modification and lifestyle changes.

GLP-1 Spend by Drug



\*Byetta and Bydureon incurred minimal spend.

Source: Vital Incite

Currently, only 23% of employers cover weight-loss-only drugs. Three GLP-1 drugs have been approved for weight loss: Saxenda, Wegovy and, just recently, Zepbound. Others are approved for Type 2 diabetes only, but 50 new weight-loss drugs are currently in development.

Leveraging Johns Hopkins ACG® risk indexing, Vital Incite data reveals that 55% of plan members with a prescription for GLP-1 are “moderate-risk,” meaning they have a controlled chronic condition. Seven percent of members taking a GLP-1 drug in the last 12 months are healthy and low-risk.

From a plan-impact perspective, most of the cost falls to the employer. When looking at total employer cost to the health plan, on average people classified obese or morbidly obese cost the health plan only \$3,600-\$4,600 more per year in total healthcare spend than a healthy person, far less than the annual cost of GLP-1 medications. Members are paying only about 5-9% of the total cost of GLP-1 medications. For a member taking a GLP-1 drug for one month, the cost to the plan is the same as for a member moving from morbidly obese to obese. Therefore, employers need to evaluate the investment, remembering that studies have shown higher success rates when accompanied by behavioral modification and lifestyle changes.

## GLP-1 MEMBER PRICE BREAKDOWN

GLP-1	AVERAGE MONTHLY TOTAL COST	MEMBER-PAID RX PER 30-DAY SUPPLY (\$)	MEMBER-PAID RX PER 30-DAY SUPPLY (%)
<b>Total</b>	<b>\$961</b>	<b>\$62</b>	<b>6%</b>
Bydureon	\$781	\$36	5%
Byetta	\$755	\$67	9%
Mounjaro	\$1,024	\$88	9%
Ozempic	\$880	\$46	5%
Rybelsus	\$849	\$46	5%
Saxenda	\$1,149	\$60	5%
Trulicity	\$921	\$64	7%
Victoza	\$950	\$46	5%
Wegovy	\$1,352	\$96	7%

Source: Vital Incite

Preliminary data suggests these drugs are effective for decreasing A1C values and weight loss compared to benchmark. However, studies reviewed by AEC Rx also show 30% of total weight loss from GLP-1 use is related to lean muscle mass. Additionally, this class of medications has numerous side effects, including several that are serious and may not be well understood yet. Long-term studies of complications related to specific GLP-1 medications are not yet available.

If patients utilizing GLP-1 drugs are not fully supportive of lifestyle change in conjunction with drug use, they gain weight back when they stop using medication. Vital Incite data reveals that 14% of GLP-1 prescriptions are filled only one time, potentially due to numerous side effects, and 60% of weight-loss drug users stop taking them in the first year, according to AEC Rx research and reviews of industry articles.

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## GLP-1 REFILL BREAKDOWN

	MOUNJARO	OZEMPIC	RYBELSUS	SAXENDA	TRULICITY	WEGOVY	TOTAL
<b>% with only one refill</b>	11%	16%	22%	19%	10%	15%	<b>14%</b>

Source: Vital Incite

PBMs were slow to implement prior-authorization protocols as these medications came to market, likely influenced by the drug manufacturers and financial impacts to the PBM. This cost health plans significant dollars early in 2023. According to the Vital Incite claims database, 46% of GLP-1 utilization was filled off-label in Q1 of 2023. With pressure, PBMs have worked to reduce off-label use and are improving their approach. By Q3 2023, off-label use was reduced to 39%.

Effective clinical prior-authorization guidelines for Type 2 diabetes GLP-1 use include:

- Documentation instead of attestation —
  - Require provider visits for Type 2 diabetes within three months of a prescription, with proof of uncontrolled A1c level as a prior-authorization requirement;
- Step therapy, requiring unsuccessful control with use of a first line medication for more than three months of use;
- Manual vs. electronic clinical prior authorizations;
- Limit authorizations to six months, with proof of appropriate provider follow-up care and a reduction in weight of at least 5% and improved A1c control;
- Require participation in a weight management or lifestyle program along with medication utilization.

If an employer decides to provide weight-loss medications on its plan, it needs to tightly manage the criteria. Drug manufacturers advise that anyone with a BMI of 27 or above and one weight-related condition (e.g., high blood pressure, high cholesterol) qualifies to take these medications for weight loss. Vital Incite has shown that 46% of employers' employees and spouses qualify for these medications. According to AEC Rx calculations of industry data, if all adults who were considered obese in the United States were prescribed a GLP-1, it would cost the U.S. \$1.2 trillion.

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## Action Items

- Monitor GLP-1 claims activity and the potential demand to understand impact to your plan.
  - Fiduciaries should have access to their data to monitor and evaluate the appropriate use of medications, especially as higher-cost medications come to market and social media promote use.
  - It is critical for employers to have an outside party audit GLP-1 use, with the goal of improving PBM effectiveness.
- Establish communication with your broker and pharmacy benefit manager to create accountability and transparency for GLP-1 access and use (and other medications).
- Medications should be considered only part of a larger population-health strategy.
  - Define and implement prior-authorization strategies to deter first-line drug use among members with controlled diabetes or obesity.
  - Provide other lifestyle improvement resources as a first line or part of the plan to treat obesity or uncontrolled Type 2 diabetes.

**A**lera Group enables organizations to make the most of their benefit plans by delivering excellent outcomes to employees as well as employers. To learn more about GLP-1 research and how you can best strategize, speak with your Alera Group broker.

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