

# Three cost containment strategies for GLP-1 drugs

## Why rising GLP-1 costs aren't going away and what to do about it.

From influencers on TikTok to clinical experts at major news outlets, everyone is talking about Ozempic<sup>®</sup> and its rising popularity as a weight-loss drug. Ozempic is one of many GLP-1 drugs initially prescribed to treat diabetes, and is increasingly being used for weight loss and other conditions. In fact, an HDMS analysis with 500,000+ members from 50+ employers revealed there was a 320% increase in GLP-1 drug use for nondiabetics in 2023.

While potentially life-changing for some patients, GLP-1 drugs can pose challenges to employers and health plans because they are costly and in high demand. These drugs cost about \$1,300 per patient, per month.<sup>1</sup> To put it in perspective, one HDMS client found that, in 2023, GLP-1 drugs cost their organization 81% more per member, per month than chemotherapy drugs. Further, they accounted for about 12% to 19% of total drug costs.

This trend of using GLP-1 drugs for uses other than diabetes isn't going away anytime soon. In fact, new studies show that GLP-1 drugs may help people who struggle with drug addiction, obsessive skin picking and many other conditions. So, the multi-million-dollar question remains:

**How can employers and health plans provide appropriate access to GLP-1 drugs to their population while containing costs?**

**\$600  
PMPM  
savings**

for members engaged with a point solution vendor

**From  
31% to  
-1%**

One employer's decrease in GLP-1 cost trend with prior authorizations and step therapy

1. Bloomberg Law <https://news.bloomberglaw.com/employee-benefits/pricey-weight-loss-drugs-spur-employer-efforts-to-control-costs>



# The HDMS Analytic Approach

Although there isn't a silver bullet or one-size-fits-all solution to contain GLP-1 drug costs, our HDMS Analytics Practice can help find solutions that are right for your business. HDMS has a team of analytical and clinical experts, led by our Head of Employer Customer Experience and our Head of Clinical Advisory Services, who work with clients to establish and execute an analytic agenda. Our experts engage with clients through custom analytic projects that address pressing topics based on client priorities, findings in their data and industry trends.

# Three cost containment strategies for GLP-1 drugs

## Cost containment strategy #1:

### Invest in healthier employees; don't just pay for drugs.

A large retailer\* has been an industry leader for decades, creating innovative programs to help employees manage chronic conditions, like diabetes and obesity. As they observed a 21% increase in the use of GLP-1 drugs, they started investigating which conditions were driving the growth for which drug and why. They found a 38% increase of use by nondiabetics. Knowing that this number will continue to rise as more people seek GLP-1 drugs for obesity and other diagnoses, this innovative team recognized the need for a long-term solution to contain costs and improve clinical outcomes. Instead of simply including GLP-1 drugs as an approved medication, this organization was one of the first to change their benefit design and select a partner to create a program specifically for GLP-1 drugs. How did they know what to do? They worked with the HDMS Analytics Practice to understand their population and used data-driven insights.

During the vendor evaluation process, the HDMS analytic advisors provided detailed data to quantify the current and projected demand for GLP-1 drugs based on diagnosis, BMI and risk. Ultimately, the retailer selected a vendor that controls costs by engaging patients on GLP-1 drugs in a lifestyle program that focuses on diet, exercise and overall well-being. The goal of the program is to ensure patients are receiving appropriate care to manage their conditions and the potentially serious side effects of these medications, as well as to safely stop taking the drug once they meet their health goals. To incentivize members to engage in this program, the client is covering 100% of the GLP-1 drug costs for all participants. The projected cost savings are significant – \$600 per engaged member per month.

\*The data and statistics included in these stories are from an internal HDMS analyses. Results may vary by population.

## Cost containment strategy #2:

### Offer the benefit but reduce the scope of the eligible population.

Despite the excitement around GLP-1 drugs for weight loss, these drugs are not the best clinical option for all patients facing weight challenges. The HDMS Analytics Practice is working with several employers\* to implement prior authorizations that limit access to GLP-1 drugs based on clinical criteria, like diagnosis and BMI. For example, one well-known employer is limiting GLP-1 drug access to patients who have at least one of the following criteria: a type 2 diabetes diagnosis within the last five years, a BMI greater than 30 or a BMI between 26 and 29 with a related health condition, like hypertension, sleep apnea or ischemic heart disease.

In addition to a prior authorization, this employer implemented a step-therapy policy. They allow access to GLP-1 drugs for patients only after they have first tried more cost-effective approaches, including taking first-line medications like Metformin for a minimum period, participating in individually tailored nutrition and exercise programs, and working with a nurse care manager. Since instituting these policies, this employer has already seen a stabilization in the cost and use of GLP-1 drugs. Prior to the policies, the quarter-over-quarter cost trend for GLP-1 drugs was 30%. After these policies had been implemented, the quarter-over-quarter trend dropped to -1%. Both prior authorizations and step therapy approaches reduce costs; and, most importantly, they increase the likelihood that patients receive the right drugs and the right care based on their unique health profile.

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## Cost containment strategy #3:

### Pay for successful treatment and reduce relapse costs.

An HDMS analysis\* revealed that per member, per month costs for GLP-1 drugs are 84% higher for members who live in communities that are at high risk for poverty compared to members who live in wealthier communities (\$21.74 and \$11.80, respectively). Although this finding is not surprising given that chronic conditions, like diabetes and obesity, disproportionately impact at-risk communities, it demonstrates how critical it is to evaluate GLP-1 access and compliance from an equity perspective. Additionally, a 2023 Reuters study found that only one third of patients prescribed a GLP-1 drug for weight loss were still taking the drug one year later.<sup>2</sup>

Using this knowledge as background, the HDMS Analytics Practice helped a consumer packaged goods industry leader with a tailored social determinants of health investigation into GLP-1 use within its population. This company wanted to ensure access to GLP-1 drugs is equitable based on patient need. It also wanted to ensure that socially or financially high-risk patients receive sufficient care to stay compliant, manage their condition and avoid negative side effects. Monitoring patient compliance to GLP-1 drugs is critical to ensure patients are reaping the full benefit of these costly drugs.

By analyzing GLP-1 access and compliance from a social factor and equity perspective, the HDMS Analytics Practice team identified important insights that helped this employer avoid paying for GLP-1 scripts with a low, long-term success rate.



\*The data and statistics included in these stories are from an internal HDMS analyses. Results may vary by population.

2. Terhune, Chad. "Exclusive: Most patients using weight-loss drugs like Wegovy stop within a year, data show." Reuters. July 11, 2023. Available at: <https://www.reuters.com/business/healthcare-pharmaceuticals/most-patients-using-weight-loss-drugs-like-wegovy-stop-within-year-data-show-2023-07-11/>. Accessed February 15, 2024.

# Create your own success story with the HDMS Analytics Practice

As you explore GLP-1 cost containment strategies for your population, remember that the HDMS Analytics Practice is here for you. We can help you use analytics to understand the unique needs of your population and make challenging decisions that ultimately impact many lives.

Here are three things to keep in mind:

1. Invest in long-term employee health and well-being instead of implementing quick fixes.
2. Consult clinical experts when making coverage decisions to ensure your population gets the right care.
3. Explore the influence of social and economic factors that impact access to care and compliance.



## About HDMS

Health Data & Management Solutions, Inc. (HDMS) is a trusted leader in health care analytics across the care continuum. The company transforms data into a high-value, decision-support asset for hundreds of health plan, employer, provider and broker customers. The company's solutions put unparalleled analytic power into the hands of customers, guiding them to make actionable and confident decisions to improve the health of their population. HDMS is a part of the CVS Health® family of companies. For more information, visit [www.hdms.com](http://www.hdms.com).