

# New Anti-Obesity Medications are Causing Employers to Review Their Coverage

LOCKTON CLINICAL ADVISORY PRACTICE

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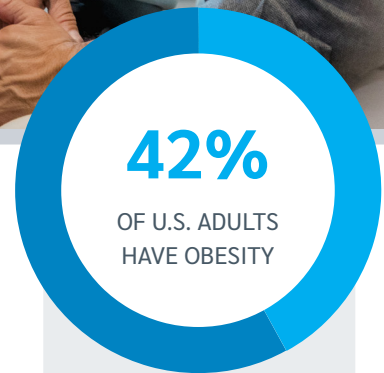




New advances in treatments for obesity are leading employers to reevaluate their benefits strategies and to deliver more holistic and integrated care and condition management. The result is a potential path forward to better support those struggling with obesity.

The prevalence of obesity (BMI of 30 or greater) continues to increase in the U.S., particularly among the working-age population and children. According to data from the CDC, 42% of U.S. adults have obesity, and by 2030, it's estimated this number will jump to more than 50%. Unfortunately, the rate of increase in children is also on the rise. In 2020, 22% of kids under 20 had obesity, up from 19% in 2019. In the U.S., people from various racial and ethnic backgrounds also experience higher rates of obesity relative to other groups, as do Americans living in rural areas.<sup>1</sup>

Obesity is associated with increased risks of developing cardiometabolic conditions such as Type 2 diabetes and heart disease, autoimmune diseases, mental illness and certain cancers. Medical costs for adults who had obesity were \$1,861 higher than medical costs for people with a healthy weight.<sup>2</sup> This same study also showed an incremental cost of \$253 per person for each one-unit increase in BMI over 30 (2019 cost value). Most people attempt to lose weight but are not successful or quickly regain the weight. Obesity is influenced by genetic, environmental and behavioral factors, and a growing body of evidence suggests that losing weight is not always within an individual's control.



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**HOWEVER, THERE IS OPTIMISM AND NEW TREATMENTS FOR OBESITY.**

A new class of medications called glucagon-like peptide-1 (GLP-1) agonists, which were previously used to treat diabetes, are now approved for weight loss. Two medications — Saxenda® and Wegovy® — have been approved to treat people without diabetes who are diagnosed with obesity or are overweight with weight-related medical problems, and several more are in the drug development pipeline. These anti-obesity medications (AOMs) are available as self-administered injectables and work by mimicking hormones in the gut to make individuals feel full after eating less. In clinical trials, these drugs, along with intensive lifestyle management, helped individuals achieve weight loss close to the level of bariatric surgery, which has been an effective treatment but comes with potential complications. GLP-1 drugs come with their own list of potential side effects and uncertainty of long-term use. They are also not cheap, costing over \$1,000 per month. More research is needed to understand which individuals will respond best to treatment and how long an individual needs to be on the drug. Currently, manufacturers indicate use to be lifelong.

Weight loss medications are now in the top 20 in Lockton’s proprietary RxMart database. Among pharmacy benefit managers (PBMs), CVS Caremark and OptumRx include Saxenda®, Wegovy® and Qsymia® on their 2022 standard formularies, and Express Scripts has Wegovy® on its preferred national formulary. About half of Lockton clients are offering some type of coverage for anti-obesity drugs today, typically with prior authorization (PA) requirements. It’s important to note that most PA requirements include a threshold for the patient’s BMI before approving. While this strategy makes sense, if the PA does not apply to the diabetes version of the drug, it may still result in off-label use of the diabetes medication. We know that AOMs are heavily marketed to consumers and promoted on social media, and it is possible that patients without a diagnosis of Type 2 diabetes have been receiving these medications for weight loss already (off-label use) even in situations where the employer does not explicitly cover AOMs. The pharmaceutical pipeline is strong with multiple new anti-obesity drugs entering the market over the next few years, so employers will need to decide on a comprehensive strategy quickly.



THESE ANTI-OBESITY MEDICATIONS ARE AVAILABLE AS SELF-ADMINISTERED INJECTABLES AND WORK BY MIMICKING HORMONES IN THE GUT TO MAKE INDIVIDUALS FEEL FULL AFTER EATING LESS.



Physicians will be weighing the risks and benefits for their patients to determine whether these drugs are appropriate for their patients. Employers will be weighing the risks and benefits of coverage to determine whether to include them in their formularies. We believe the optimal benefits strategy is one that takes a comprehensive approach and looks at multiple pathways for treatment, including prescription benefits (including coverage of GLP-1), surgical interventions, behavior-based interventions (including personalized dietary approaches) and a supportive workplace culture. Lockton’s interdisciplinary team of Health Risk Solutions consultants, clinical advisors, pharmacy experts, innovation experts, actuaries and data specialists is collaborating to evaluate the medications and emerging solutions available to our clients. We have been evaluating several emerging companies that are developing comprehensive obesity management programs, and we are in active discussions with the leading health plans and PBMs about their approach to support employers in this area.

We believe it is important for employers to understand the implications of offering coverage for AOMs as part of their overall strategy, and we can help design programs to best meet the needs of each employer’s diverse population. Reach out to your Lockton representative about your coverages and how to address weight loss in your benefits strategy.

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## SOURCES

<sup>1</sup> <https://www.cdc.gov/nccdphp/dnpao/division-information/media-tools/mmwr-obesity-rural-counties.html>

<sup>2</sup> <https://www.cdc.gov/obesity/data/adult.html>



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