MEDIMPACT WHITE PAPER — FOR HEALTH PLANS

WEIGHING THE PROS AND CONS OF GLP-1s

What to consider for better GLP-1 ROIs for weight loss and outcomes that last.



MedImpact

INTRODUCTION

In recent years, glucagon-like peptide-1 receptor agonists (GLP-1s) have skyrocketed in popularity. Their effectiveness in promoting weight loss and improving metabolic health is now well established, and researchers are exploring their potential use for a variety of conditions, ranging from dementia to addiction.

However, as effective as they are in treating weight loss, they are not without drawbacks, such as high abandonment rates,[i] substantial weight regain after treatment cessation,[ii] and costs of $1,000 per month or more.

This white paper explores the benefits and limitations of GLP-1 treatments for weight loss, and why they should be viewed as just one part of a holistic approach to health and wellness.

Market Dynamics and Outlook

The U.S. GLP-1 market for weight loss has experienced explosive growth, reaching $33.8 billion in 2024 with projected annual growth forecasted at 12% through 2028, according to some estimates.[iii] This rapid growth is driven not only by the clinical efficacy of drugs but also by celebrity influence, which has significantly contributed to public interest and demand.

Several additional catalysts are expected to further accelerate market expansion:

New Injectables

Emerging GLP-1 therapies promise even greater efficacy for weight loss than existing compounds. For example, in current clinical trials, the injectable CagriSema (combination of semaglutide and cagrilintide) has shown weight loss nearing 23% of their starting body weight over 68 weeks.[iv]

Generics

While there are yet to be generic GLP-1s approved for the treatment of obesity, the upcoming patent expirations of several newer compounds are bringing them closer to fruition. The U.S. patent for Ozempic, for example, will expire in 2032,[v] which may fuel additional off-label utilization for weight loss. The availability of lower-cost GLP-1s is expected to have a significant impact on medication access and uptake.



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THE PROMISE AND LIMITATIONS OF GLP-1 MEDICATIONS

By enabling substantial reductions in body weight and improvements in blood sugar control, GLP-1s such as semaglutide and the GLP/GIP agonist tirzepatide, have changed the way providers, plans, and patients think about weight management. In one study published in the *International Journal of Obesity*, individuals taking semaglutide for weight management lost between 5% and 20% total body weight loss within twelve months.[vi] Despite these results, this class of drugs has limitations, including:

High Abandonment Rates

Real-world data reveals alarmingly high abandonment rates. A 2024 review published in the *American Journal of Managed Care (AJMC)* highlighted that 68% of patients who started GLP-1 for weight loss ceased treatment within the first 12 months.[vii] This is due to a variety of factors, such as unpleasant side effects, including nausea, vomiting, diarrhea, constipation, and abdominal discomfort. And, if treatment is not covered by their benefit plan, patients may not be able to afford the high cost of these drugs.

Weight Regain Post-Discontinuation

Arguably, the most critical drawback of GLP-1 therapies–for payers and patients alike–is the high incidence of weight regain following discontinuation, typically within months after stopping treatment. One study published in 2022, found that participants regained approximately two-thirds of the weight they lost within one year after ending semaglutide therapy for obesity. [viii]

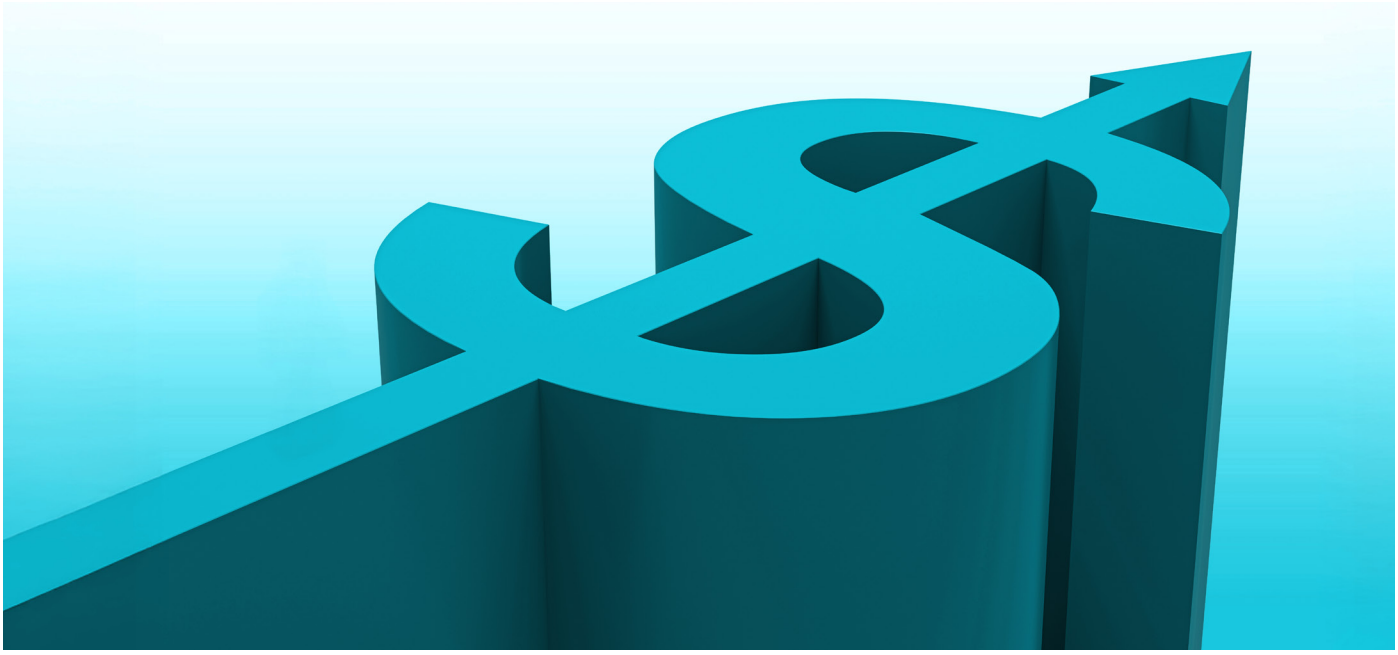
However, additional research has shown that tapering off GLP-1s and sustained physical activity can help patients maintain stable body weight after treatment cessation.[ix, x]

Questions about Cost-Effectiveness

Recent analyses have raised concerns regarding the cost-effectiveness of GLP-1 medications, such as Zepbound (tirzepatide), for weight loss. A study published in *JAMA Health Forum* found that to achieve commonly accepted cost-effectiveness benchmarks, the price of Zepbound would need to decrease by nearly one-third to approximately $361 per month.[xi] Similarly, the study indicated that Wegovy (semaglutide) would require a price reduction of over 80% to about $127 per month to be considered cost-effective. These findings suggest that, despite the clinical benefits, the costs associated with these medications, and those for the treatment of their side effects, may be prohibitive.

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ECONOMIC IMPLICATIONS FOR HEALTH PLANS

With average monthly costs ranging from $900 to over $1,300 per patient, as noted in *AJMC*, these medications constitute one of the highest expenditure categories within pharmacy benefits.[xii] Given the high abandonment rates, these costs may come with limited long-term health improvements for members.

Annual payer costs for GLP-1 medications exceed $20 per member per month (PMPM). Recent MedImpact study also shows $18.08 PMPM increase in payor cost when covering GLP-1 drugs for weight loss in the benefit plan.

To cope with these increased costs, health plans have adopted various strategies, including tighter restrictions on coverage criteria, increased utilization management efforts, and higher co-payments and deductibles. Some plans seeking more cost-effective and sustainable methods to achieve long-term health benefits have started promoting lifestyle management programs as alternative or complementary solutions.

ECONOMIC IMPLICATIONS FOR MEMBERS

For health plan members, the economic implications of using GLP-1s are similarly severe. Some health plans exclude coverage of GLP-1s for obesity unless it is tied directly to comorbidities, such as cardiovascular conditions. The resulting high out-of-pocket cost causes many members to either not begin or abandon treatment. Not only does this prevent members from getting the care they need, but it also exacerbates disparities in health outcomes by income.

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THE CRITICAL ROLE OF LIFESTYLE AND NUTRITIONAL CHANGES

Given these limitations, numerous studies confirm that sustained weight loss and health improvements require lifestyle changes, including a diet with reduced caloric intake, greater nutrient density, and fewer processed foods.[xiii, xiv, xv]

Although improving one's diet may seem simple, it is actually a challenging task for many individuals. Some require education about what comprises a healthy diet, while others need motivation and assistance to incorporate better lifestyle choices into their routines.

Behavioral modifications such as goal setting, self-monitoring, stress management, and cognitive behavioral therapy (CBT) play crucial roles in sustaining dietary and lifestyle changes, and programs that integrate behavioral strategies alongside nutritional guidance have a better chance of long-term success.

Enhancing Outcomes with Digital Health Tools

Digital health tools have become valuable adjuncts to GLP-1s, particularly when they promote continuous health monitoring, personalized nutrition guidance, and sustained behavioral changes. Mobile apps, wearable devices, and virtual coaching platforms enable individuals to track dietary habits and physical activity, provide nutrition guidance, and menu planning, and can help users stay engaged and motivated.

Integrating digital health technologies with GLP-1 treatments can lead to improved adherence, greater weight loss, and reduced rates of weight regain post-treatment.[xvi, xvii, xvii] It can also help individuals achieve sustained health outcomes compared to using medication alone. As such, digital tools represent a critical component of comprehensive obesity management strategies.

A large number of digital tools exist in the market today, and choosing one that will effectively support and engage members is essential. Apps that are easy to use, integrate with multiple devices, and incorporate features that keep people motivated and engaged work best in combination with drug therapy.

Towards a Comprehensive Approach

Given the substantial abandonment rates and high-cost implications of GLP-1s, particularly if weight regain occurs, a comprehensive approach that incorporates dietary changes, clinical support, and behavioral modification is essential to achieving long-term weight management.

The right digital tools can help users improve their nutrition and stay motivated and engaged. These tools, in combination with drug therapy, can be the recipe for sustained weight loss, lower healthcare costs, and overall better health.

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MedImpact is the nation's largest independent health solutions, technology, and pharmacy benefit management provider. For 35 years, MedImpact has helped commercial and government healthcare payers improve member health, manage benefits, and reduce drug costs. Today, MedImpact serves more than 20 million members and processes more than $40 billion in pharmacy transactions annually.

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