
Affordable Access to GLP-1 Obesity Medications: Strategies to Guide Market Action and Policy Solutions

April 22, 2025



Welcome

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Annual White Papers in Collaboration with the ICER Policy Leadership Forum



ICER's Policy Leadership Forum (PLF)* brings together a small, influential group of evidence leaders from **insurers, pharmacy benefit management firms, purchasers, and life science companies**



ICER develops annual White Papers in collaboration with the PLF to address **challenges in evidence methods and policy**



ICER chose the topic of GLP-1 obesity medications because GLP-1s are emblematic of the **US health system's tradeoffs and complexities**

Methods for Gathering Information and Stakeholder Perspectives on GLP-1 Obesity Medications

Targeted Literature Review

Peer-reviewed and gray literature focusing on the use of obesity medications in the US.

Stakeholder Interviews

Structured interviews with pharmacy benefit managers, manufacturers, patient advocacy groups, purchasers, benefit consultants, and state and Medicaid experts.

Theme Identification

Balancing equitable access with affordability at a population scale.

Policy Leadership Forum (PLF) Summit

Collected additional stakeholder feedback from PLF attendees and other experts, and revised the paper based on their input.

GLP-1 Obesity Medications

- Obesity is a top public health priority, with over 40% of US adults having obesity
- New obesity medications (OMs) offer weight reduction and associated health benefits that, if sustained over time, have the potential to markedly improve population health
- While GLP-1s are cost-effective, the rapid adoption for obesity creates affordability challenges
 - The cost of paying for GLP-1s for obesity has already created budget pressures
 - Projected \$100 billion in annual US spending

Current Coverage Patterns for New Obesity Medications

- Medicare: Current coverage for diabetes, but prohibited from covering weight loss drugs
- Medicaid: 14 states (and growing) currently cover GLP-1s for obesity
- Commercial plans: 30% - 40% cover GLP-1s for obesity
 - More generous coverage among larger firms, wealthier sectors, and those with more stable employee populations

Policy Options Examined in ICER's White Paper

Market Strategies

1. Temporary coverage denial
2. Enhanced prior authorization and formulary management
3. Provider network management
4. Innovative payment arrangements
5. Carve-out programs

Federal Action

1. Expand Medicare coverage
2. Mandate access through US Preventive Services Task Force
3. Aggressively negotiate prices
4. Provide federal subsidies to commercial insurers
5. License GLP-1s from drugmakers



Potential Market Strategies

Potential Market Strategies



Temporary Coverage Denial

- Delay coverage while waiting for price competition and market changes

Enhanced Prior Authorization and Formulary Management

Provider Network Management

Innovative Payment Arrangements

Carve-out Programs for Obesity Management Services

Potential Market Strategies

Temporary Coverage Denial



Enhanced Prior Authorization and Formulary Management

- Narrow coverage based on BMI and clinical comorbidities
- Pair coverage with lifestyle management
- Limit duration of coverage
- Narrow coverage to single GLP-1 product
- Step therapy through earlier OM

Provider Network Management

Innovative Payment Arrangements

Carve-out Programs for Obesity Management Services

Potential Market Strategies

Temporary Coverage Denial

Enhanced Prior Authorization and Formulary Management



Provider Network Management

- Open prescribing with attendant tighter utilization management
- Limited prescribing by a curated expert network with lighter or no utilization management
- Carve-out clinical care and prescribing to external weight loss management firm

Innovative Payment Arrangements

Carve-out Programs for Obesity Management Services

Potential Market Strategies

Temporary Coverage Denial

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Provider Network Management



Innovative Payment Arrangements

- Performance agreements
- Subscription models
- Volume-based rebates

Carve-out Programs for Obesity Management Services

Potential Market Strategies

Temporary Coverage Denial

Enhanced Prior Authorization and Formulary Management

Provider Network Management

Innovative Payment Arrangements



Carve-out Programs for Obesity Management Services

- Delegate obesity management to a comprehensive program offered by a PBM or to an independent obesity management company

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Potential Federal Policy Interventions

Potential Federal Policy Interventions



Improve Access by Offering Coverage for Obesity Drugs in Medicare

- Expand Medicare and Medicaid coverage to GLP-1s for people with obesity
- Treat and Reduce Obesity Act (TROA)
- Expand coverage through a demonstration project at CMMI

Improve Access in Private Insurance Through Action by the USPSTF

Reduce Costs Through Aggressive Federal Drug Price Negotiation

Reduce Costs by Providing Federal Subsidies for Private Insurance Coverage of Obesity Treatments

Reduce Costs by Licensing GLP-1 Products from Drugmakers

Potential Federal Policy Interventions

Improve Access by Offering Coverage for Obesity Drugs in Medicare



Improve Access in Private Insurance Through Action by the USPSTF

- An “A” or “B” rating for GLP-1s from the United States Preventive Services Task Force would create a mandate for coverage by all private insurers with no patient cost sharing

Reduce Costs Through Aggressive Federal Drug Price Negotiation

Reduce Costs by Providing Federal Subsidies for Private Insurance Coverage of Obesity Treatments

Reduce Costs by Licensing GLP-1 Products from Drugmakers

Potential Federal Policy Interventions

Improve Access by Offering Coverage for Obesity Drugs in Medicare

Improve Access in Private Insurance Through Action by the USPSTF



Reduce Costs Through Aggressive Federal Drug Price Negotiation

- Seek far further discounts on semaglutide than the minimum discounts required under the Inflation Reduction Act (IRA)

Reduce Costs by Providing Federal Subsidies for Private Insurance Coverage of Obesity Treatments

Reduce Costs by Licensing GLP-1 Products from Drugmakers

Potential Federal Policy Interventions

Improve Access by Offering Coverage for Obesity Drugs in Medicare

Improve Access in Private Insurance Through Action by the USPSTF

Reduce Costs Through Aggressive Federal Drug Price Negotiation



Reduce Costs by Providing Federal Subsidies for Private Insurance Coverage of Obesity Treatments

- Provide subsidies to private insurers to support a broad requirement that all purchasers provide coverage for OMs

Reduce Costs by Licensing GLP-1 Products from Drugmakers

Potential Federal Policy Interventions

Improve Access by Offering Coverage for Obesity Drugs in Medicare

Improve Access in Private Insurance Through Action by the USPSTF

Reduce Costs Through Aggressive Federal Drug Price Negotiation

Reduce Costs by Providing Federal Subsidies for Private Insurance Coverage of Obesity Treatments



Reduce Costs by Licensing GLP-1 Products from Drugmakers

- Require that drugmakers license GLP-1 drugs to generic manufacturers for the express purpose of providing more affordable versions for public payers

Discussion:

Potential Market Strategies and Federal Policy Interventions

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Federal Action

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Today's Speakers



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