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Correspondence Memorandum

Date: April 26, 2024

To: Group Insurance Board

From: Tricia Sieg, Pharmacy Benefit Programs Manager
 Office of Strategic Health Policy

Subject: Follow-Up on Anti-Obesity Medications (AOMs) Discussion from February 2024 Board Meeting and Current Events

This memo is for informational purposes only. No Board action is required.

Background

While discussing the “2024 Final Benefits Changes” item during the February 21, 2024, Group Insurance Board (Board) meeting ([Ref. GIB | 02.21.24 | 7C](#)), members of the Board asked the Board’s actuary, Segal, questions regarding their cost analysis for weight-loss drug coverage for 2025–2030 (Table 1). Segal shared the sources used to gather the information in the cost analysis table and the Board requested additional documentation of those sources that were not already cited in the memo.

Below are links to these sources:

- <https://www.cdc.gov/obesity/index.html>
- <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0247307>
- <https://pubmed.ncbi.nlm.nih.gov/33470881/>
- <https://www.primetherapeutics.com/news/real-world-analysis-of-glp-1a-drugs-for-weight-loss-finds-low-adherence-and-increased-cost-in-first-year/>
- <https://jamanetwork.com/journals/jama/fullarticle/2812936>
- <https://pubmed.ncbi.nlm.nih.gov/35441470/>
- <https://onlinelibrary.wiley.com/doi/full/10.1002/oby.23952>

In future cost analysis and at the Board’s request, Segal will also include assumptions used in their analysis.

Reviewed and approved by Brian Stamm, Deputy Director, Office of Strategic Health Policy
 Electronically Signed 05/07/2024

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Additional Information

Since the Board's most recent meeting, additional information has been released regarding the cost of weight loss drugs for pharmacy insurance payers and patients, including the following:

- A presentation given by the United States Congressional Budget Office (CBO) on March 20, 2024. The CBO examined the possibility of the federal government covering weight-loss drugs, also known as anti-obesity medications (AOMs), as part of Medicare Part D. The CBO found that, "at their current prices, AOMs would cost the federal government more than it would save from reducing other health care spending — which would lead to an overall increase in the deficit over the next 10 years." The CBO's presentation can be found at: <https://www.cbo.gov/system/files/2024-03/60116-Duchovny.pdf>.
- An April 12, 2024, report published in the Journal of the American Medical Association (JAMA) regarding the cost-effectiveness of semaglutide, also known as Wegovy, compared to endoscopic sleeve gastropasty (ESG), a type of bariatric surgery, over five years. Over the five-year period studied, bariatric surgery was found to be "a cost-effective strategy, offering greater weight loss and cost savings. The annual cost of semaglutide would need to be reduced 3-fold, from \$13,618 to \$3,591, for it to be a cost-competitive alternative." The report can be found at: <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2817480>.
- An April 18, 2024, article highlighting The North Carolina State Health Plan's decision to add weight-loss drug coverage for North Carolina's 750,000 public employees, and the subsequent vote to remove the coverage due to the cost of the drugs. Staff referenced this situation when speaking to the Board in February. This article can be found at: <https://www.politico.com/news/2024/04/18/employers-drugmakers-weight-loss-drug-costs-00152927>.
- On April 24, 2024, United States Senator Bernie Sanders, the chairperson of the Senate Committee on Health, Education, Labor, and Pensions, sent a letter to Lars Freurgaard Jorgensen, the Chief Executive of Novo Nordisk, the maker of Wegovy and anti-diabetic drug Ozempic. Senator Sanders requested communications from Novo Nordisk regarding the prices of Wegovy and Ozempic in the United States, as well as information on why the company charges more for Wegovy than Ozempic, despite both drugs containing semaglutide. Senator Sanders also asked whether Novo Nordisk would reduce the prices of both medications. A copy of this letter can be found at: <https://www.sanders.senate.gov/wp-content/uploads/Letter-from-Sen.-Bernard-Sanders-to-Novo-Nordisk.pdf>.

The Board has requested regular updates on AOMs and their impact on GHIP. Further, the Board has received correspondence requesting ETF continue discussions regarding

weight loss drugs. ETF plans to present a further analysis of costs and coverage alternatives to the Board at the August 2024 meeting.

Staff will be at the Board meeting to answer any questions.