

Weight-Loss Drugs Analysis and Coverage Considerations

Item 4 – Group Insurance Board

Tricia Sieg, Pharmacy Benefits Program Manager

Office of Strategic Health Policy



Informational Item Only

- No Board action is required

What to Expect

- Weight loss drug history
- Other states' public employee weight-loss drug coverage
- Weight loss drug current events
- Future weight loss drug coverage options
- Next steps

Weight-Loss Drug History

GLP-1 Drugs Information

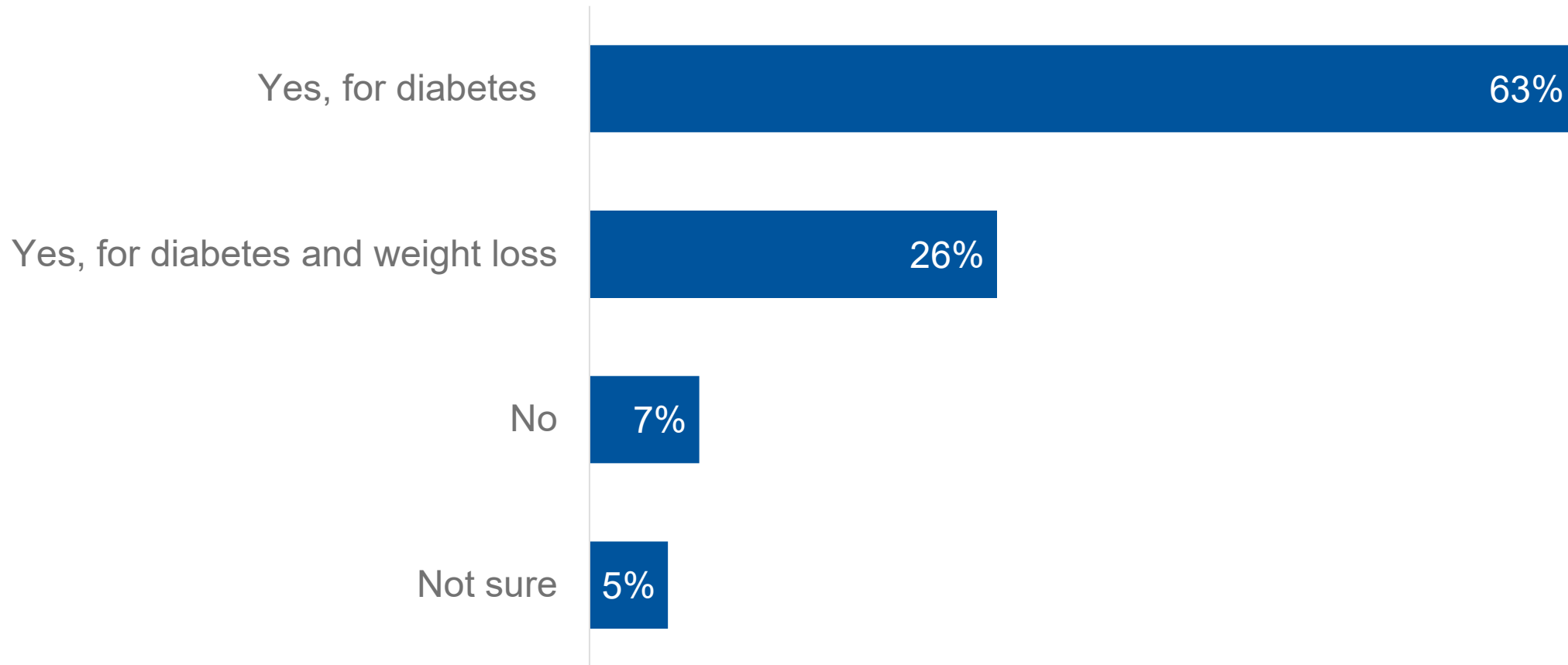
Drug	Approval Year	FDA Approved Indications	Covered by the GHIP
Saxenda	2014	Chronic weight management in adults	No
Ozempic	2017	Lower blood sugar levels in adults with type 2 diabetes	Yes
Wegovy	2021	Chronic weight management in adults and certain children with obesity. Reduces the risk of cardiovascular death, heart attack, and stroke in adults with cardiovascular disease and those who are either obese or overweight.	No
Mounjaro	2022	Improve glycemic control in adults with type 2 diabetes	Yes
Zepbound	2023	Chronic weight management in adults	No

The Board and Weight-Loss Drugs

- Weight-loss drugs have always been excluded from the Group Health Insurance Program.
- Bariatric surgery added in 2020.
- Segal's cost analysis have evolved with new research and experience.
- Many factors affect the Board's weight-loss drug costs.

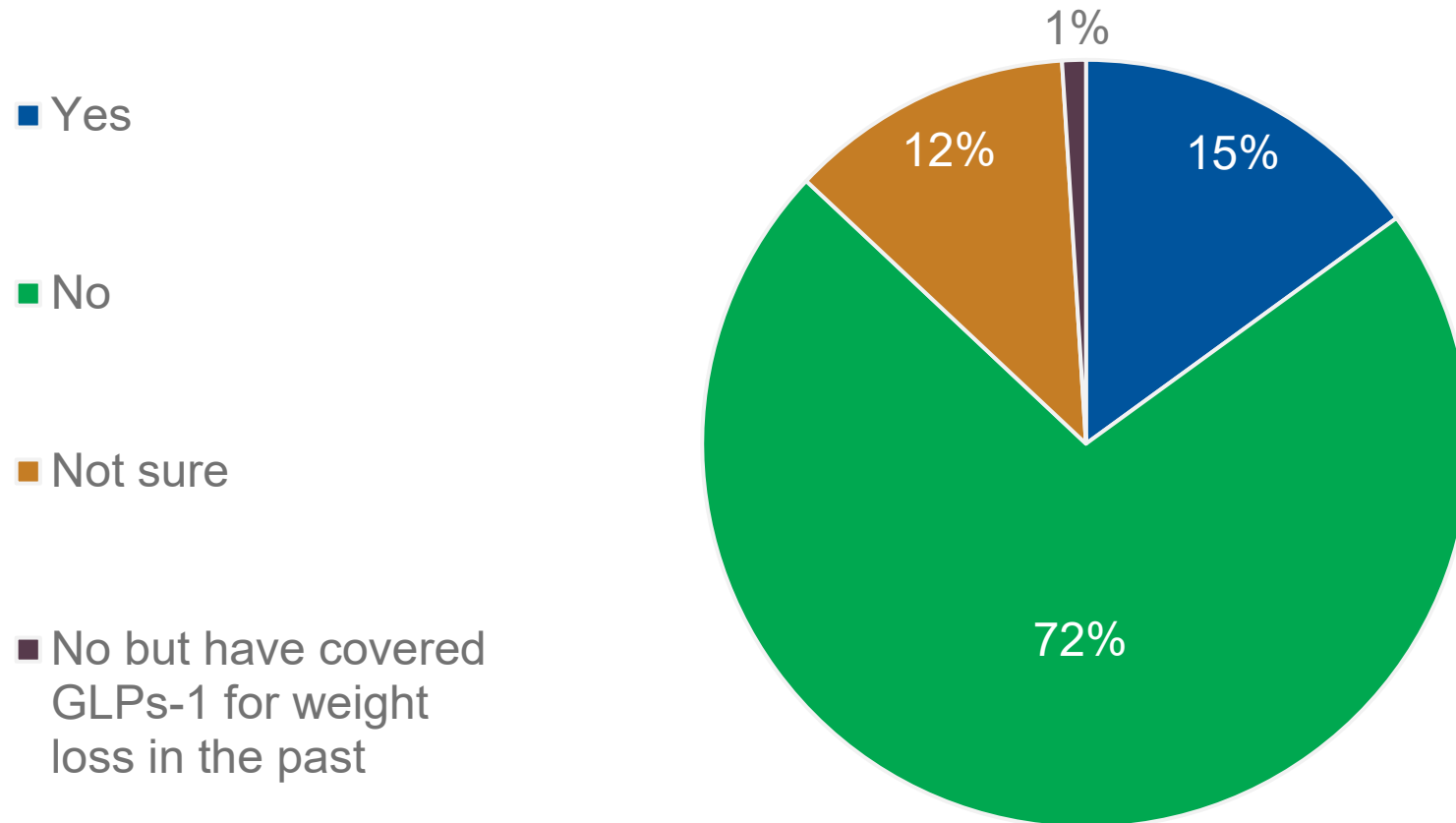
Other States' Public Employee Weight-Loss Drug Coverage

2024 Coverage of GLP-1 Drugs



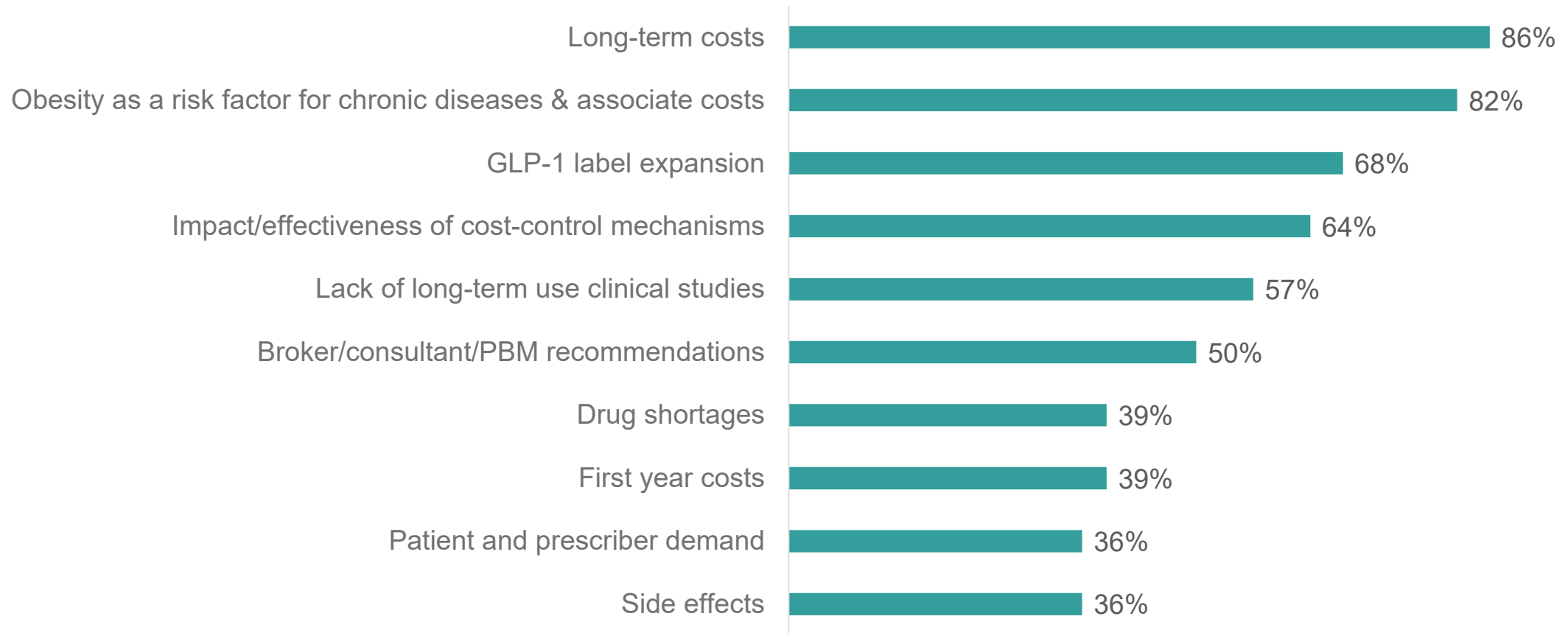
Source: International Foundation of Employee Benefit Plans (2024).

Considering Offering Coverage for GLP-1 Drugs for Weight Loss



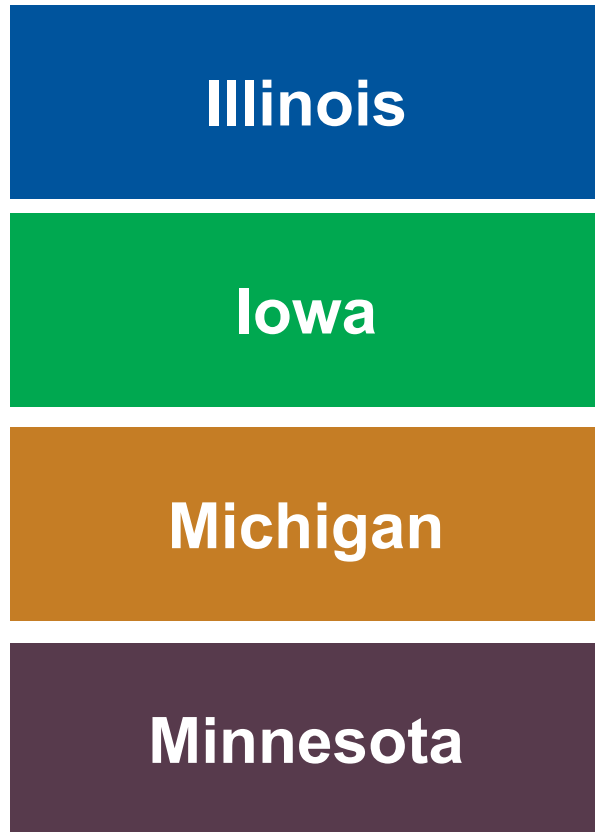
Source: International Foundation of Employee Benefit Plans (2024).

Top 10 Factors When Considering GLP-1 Coverage for Obesity Care



Source: International Foundation of Employee Benefit Plans (2024).

What Are Other States Doing?



Weight-Loss Drug Current Events

Weight-Loss Drug New Indications

Wegovy
Cardiovascular
Disease

Zepbound
Sleep Apnea
Heart Failure

Semaglutide
Cravings for
Addictive
Substances

New Weight-Loss Drugs



Roche CT-996

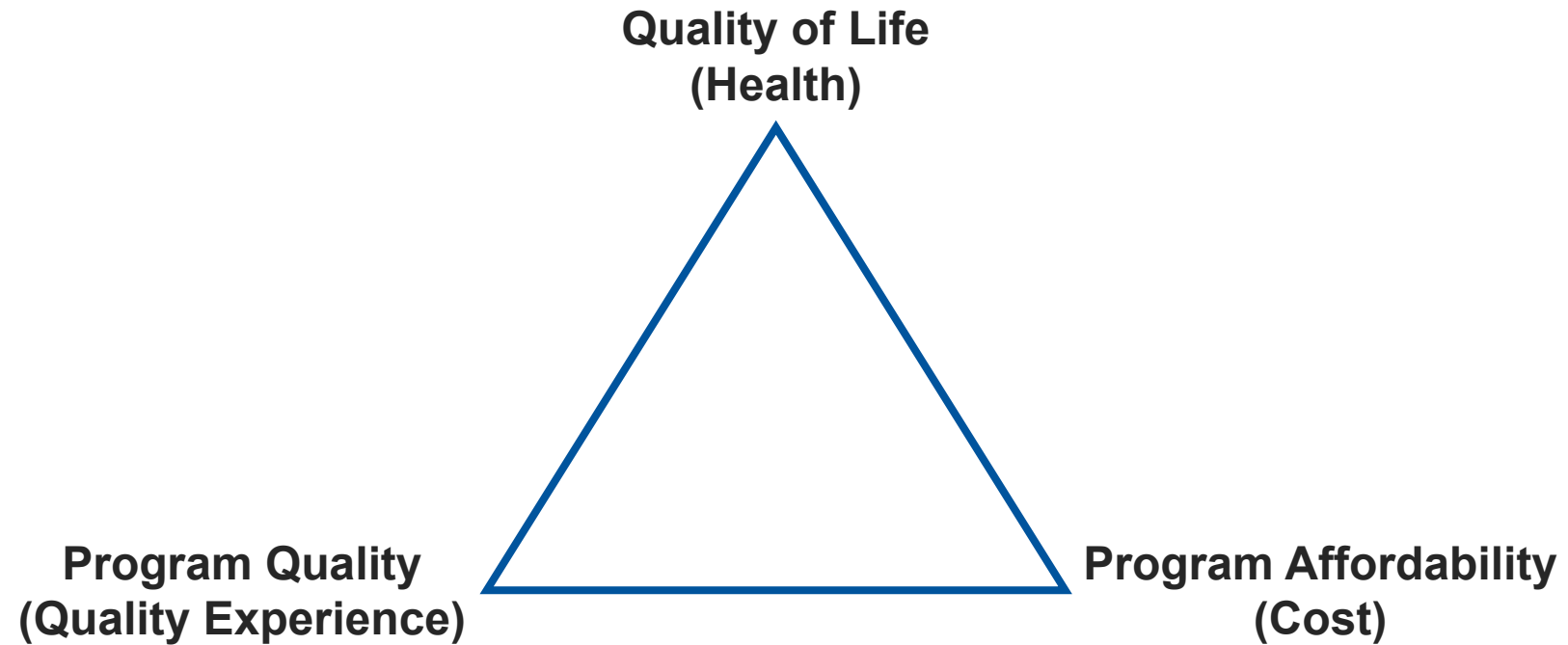
Viking Therapeutic VK2735

Changes to current weight-loss drugs

Future Options

Considerations

Wisconsin State
Statute §40.03 (6)(c)



Prescription Drug Benefit Reduction

- Pharmacy benefit reduction or premium increase to offset the cost of weight loss drugs.
- Reduction or increase would affect all commercial members.
- Initial increase on top of medical, wellness, and other pharmacy insurance premium increases until savings, in any, are realized.
- Members who do not take weight-loss drugs would be affected.

Copay/Deductible Increases

Plan Design	2024 copays and deductibles	Proposed change to offset AOM cost
Deductible (Individual/Family)	\$250/\$500	\$300/\$600
Out-of-Pocket Maximum (Individual/Family)	\$1,250/\$2,500	\$1,400/\$2,800
Primary Care Office Visit	\$15 copay	\$25 copay
Specialist Office Visit	\$25 copay	\$35 copay
Urgent Care	\$25 copay	\$35 copay
Emergency Room	\$75 copay	\$100 copay
Pharmacy Specialty/ Tier 4	\$50 copay	\$75 copay
Pharmacy Maximum (Preferred/Non-Preferred/Specialty)	\$50/\$150/\$200	\$75/\$175/\$250

- Cost increase to all non-Medicare members.
- Copays and deductibles would remain below the national average.
- Medical vendors would need to recognize plan design savings in their renewals.

Other Benefit Reductions

- Would spread the changes out across the GHIP.
- Would be limited by state and federal law as to what changes could be made.
- Use data from the data warehouse to identify benefits where maximums are rarely met.
- Reductions could cause disruptions for members.

Pilot Program

- Allows the Board a chance to examine the fiscal effects of coverage on a limited basis.
- Possible contractual and legal issues need to be fleshed out.
- Ending coverage in a pilot program would end coverage for members.

Lifetime Limit

- Allows coverage for members but with ceiling to limit the Board's costs.
- After maximum is met, member would have to pay the whole cost of the drug.
- May reduce or remove manufacturer rebates the Board receives for drugs on the formulary.
- Maintaining records of members' limits could lead to administrative costs.

New AOM Drug Formulary Level

- Would only require those taking AOMs to shoulder the higher cost.
- The higher cost would be an increase to members out-of-pocket costs.
- A new formulary tier could lead to member and pharmacy confusion.
- May reduce or remove manufacturer rebates the Board receives for drugs on the formulary.

Increase Body Mass Index (BMI) Requirements

- Lowers the cost of weight-loss drugs to the Board.
- Higher BMI requirement could match BMI requirement for bariatric surgery.
- Higher BMI could lead to members having more comorbidities before they gain coverage.
- May reduce or remove manufacturer rebates the Board receives for drugs on the formulary.

Options Summary

Premium
Increases

Copay &
Deductible
Increase

Other Benefit
Reductions

Pilot Program

Lifetime Limit

New AOM
Drug
Formulary
Level

Increase BMI
Requirements

Next Steps

- November 2024 Meeting:
 - Board will receive an operational update on the ever-changing AOM landscape.
 - Update to the Board regarding bariatric surgery.



Questions?

Thank you



[wi_etf](#)



[etf.wi.gov](#)



ETF E-mail Updates



608-266-3285
1-877-533-5020