

Weight-Loss Drugs: Cost Analysis, Options, and Current Events

Item 13 – Group Insurance Board

Tricia Sieg, Pharmacy Benefits Program Manager

Molly Dunks, Disease Management and Wellness Program Manager

Office of Strategic Health Policy



Informational Item Only

No Board action is required.

What to Expect

- Anti-obesity medication (AOM) drug cost analysis
- Update on future AOM options
- Other states' public employee AOM drug coverage
- Weight-loss drug current events
- Next steps

What Are We Talking About

Drug	Approval Year	FDA Approved Indications	Covered by the GHIP
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

AOM Cost Analysis

Changes Since February 2024

Navitus
signed new
agreements
with AOM
manufacturers

Tiered
pricing/rebates

New guidelines
regarding when
no rebates are
available on
AOMs

AOM Cost Analysis with Full Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
2025	13,053	56,129	\$37,185,614	\$6,175,060	-\$31,010,553
2026	16,234	84,530	\$59,012,775	\$21,716,516	-\$37,296,259
2027	17,078	97,049	\$71,382,889	\$34,977,832	-\$36,405,057
2028	17,461	106,382	\$82,425,828	\$48,469,853	-\$33,955,975
2029	17,520	113,381	\$92,524,228	\$62,186,799	-\$30,337,428
2030	17,355	118,429	\$101,772,140	\$75,948,834	-\$25,822,306



Update On Future AOM Options

Increase Body Mass Index (BMI) Indications

- Current FDA BMI indications for AOMs:
 - 30 or greater
 - 27 with at least one weight-related comorbidity
- Some payers have increased BMI requirements for coverage.
- The higher BMI requirements eliminate some people from coverage.
- Would reduce manufacturer rebates the Board receives for AOMs.
- Findings show the greater a person's BMI, the more likely they are to take a AOM and continue to take the drug.

AOM Cost Analysis with Partial Rebates

Year	Utilizers	AOMs Prescriptions	AOM Cost	Medical Savings	Net Loss
2025	7,406	31,844	\$26,908,178	\$3,503,319	-\$23,404,859
2026	9,315	48,406	\$43,069,498	\$12,373,407	-\$30,696,091
2027	9,602	54,802	\$51,335,325	\$19,912,500	-\$31,422,825
2028	9,412	58,174	\$57,363,445	\$27,175,462	-\$30,187,983
2029	8,950	59,520	\$61,774,139	\$34,048,327	-\$27,725,812
2030	8,390	59,612	\$65,112,307	\$40,423,105	-\$24,689,201

New AOM Drug Formulary Level

Year	AOMs Prescriptions	Net Loss	Copay Required Per Prescription
2025	56,129	-\$61,179,890	\$1,090
2026	84,530	-\$79,719,484	\$944
2027	97,049	-\$74,281,118	\$766
2028	106,382	-\$79,188,547	\$745
2029	113,381	-\$73,870,551	\$652
2030	118,429	-\$66,166,116	\$559

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.

Nutritional Counseling

- Beginning January 1, 2025, nutritional counseling is covered under the Group Health Insurance Plan (GHIP) for all members.
- Board could require nutritional counseling for anyone taking an AOM without losing any rebates.
- Mandatory nutritional counseling would require members to pay medical copays in addition to pharmacy copays/coinsurance for AOMs.

Well Wisconsin Consideration

Idea: redirect funds from Well Wisconsin to help pay for AOMs

- The approximate \$16M paid to administrator and member incentives per year would not be enough to cover the expected costs of AOMs.
- The Board would need to cut other benefits or increase member cost-share to offset the total estimated costs of AOMs.

Well Wisconsin and Weight-Loss

Part of the Total Health Management approach.

Well Wisconsin includes weight-loss services that can directly benefit members who would use AOMs.

Supports the FDA's approval of AOMs “for use, *in addition* [emphasis added] to a reduced calorie diet and increased physical activity.”

Supporting Other Conditions

Well Wisconsin can also help members manage other comorbidities/ conditions:

- Diabetes and diabetes prevention
- Mental health coaching for depression, anxiety, stress, etc.
- Asthma
- Chronic obstructive pulmonary disease
- Heart disease

Pilot Program

Allowing a pre-determined subset of members to have AOMs covered along with coaching and nutritional counseling is an option.

Eligibility criteria will be challenging and may result in appeals.

Cost estimate of \$8.6 - \$14.4M, assuming there are 1,000 participants.

Use DAISI for evaluation.

Existing GHIP vendors could partner to administer, or an RFP could be released for 2028 or 2029 implementation.

Other States' Public Employee Weight Loss Drug Coverage

What Are Other States Doing?

Alabama

South Carolina

Arizona

Tennessee

Kansas

Utah

AOM Current Events

AOM Latest News

- October 24: Prime Therapeutics study found no medical cost offset in medical treatment for those taking AOMs over two years.
- October 21: Northwestern University researchers publish findings comparing the cost-effectiveness of bariatric surgery and AOMs.
- October 17: New study found people taking semaglutide or tirzepatide had a 40% lower rate of opioid overdose and a 50% lower rate of intoxication than those not taking the drugs.

Going Forward

Next Steps

January 15, 2025, special Board meeting:

Board is scheduled to discuss awarding the Pharmacy Benefits Program contract set to begin January 1, 2026.



Questions?

Thank you



[wi_etf](#)



[etf.wi.gov](#)



ETF E-mail Updates



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