

**From:** [REDACTED]  
**To:** [ETF SMB Board Feedback](#)  
**Cc:** [REDACTED]  
**Subject:** GIB Questions for Navitus  
**Date:** Monday, March 10, 2025 9:06:10 AM  
**Attachments:** [REDACTED]

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Group Insurance Board Members,

Thank you again for the time you have taken to consider adding anti-obesity medication as a covered pharmacy benefit for members of the GHIP. Novo Nordisk believes coverage of AOMs will improve health outcomes and lower the risk of developing chronic conditions like heart disease, diabetes, and certain types of cancer.

As you know, we've written to the board [REDACTED] regarding Segal's cost analysis of AOM coverage. Unfortunately, that cost analysis still inexplicably assumes an increase in net prices, which skews the overall cost projections that ETF's recommendations are based on.

Given the good questions that were raised by board members at the November meeting, we were hoping to see an updated cost analysis included in this week's meeting packet. When asked by board members about the assumed net price increases, Segal couldn't provide a specific reason for the assumption, instead stating that an increase was within the realm of possibility. Nevertheless, a new cost analysis was not produced.

Over the course of the past year, we've seen list price and net price used interchangeably on several occasions. List price is the sticker price that almost nobody pays. Net price is the list price, less rebates and other discounts. Net price is the cost that is relevant to the board, and net prices on drugs come down over time due to competition and other factors.

With the introduction of Zepbound and the [REDACTED], there is every reason to expect net prices to come down, which was the conclusion of Morningstar and Pitchbook. Milliman arrived at the [REDACTED] in its analysis for Medicare coverage, assuming 6 percent annual net price decreases.

Some additional support for net price declines:

- As reported from a recently quarterly earnings report, [REDACTED] due to bigger discounts being offered on Wegovy, as a result of increasing competition.
- As shared at the Senate HELP Committee hearing, the net price of Ozempic has [REDACTED] since it was introduced in the US market.
- The [REDACTED] cited in the Milliman study shows net price declines for brand-name drugs, with Novo Nordisk declines steeper than the industry average. The [REDACTED] shows similar declines.

Since you won't have a new cost analysis before you this week, we hope you can get actual cost data from Navitus in advance of the meeting. **It seems the board could ask the following questions of Navitus, which would demonstrate that there is no upward trend in net prices.**

- What has been the net price of Ozempic in each year since GHIP coverage? Novo Nordisk has [REDACTED] that the net price of Ozempic has declined 40% since introduction in the US market.
- What has been the net price of Wegovy in each year since introduction in the US market? Navitus was able to provide the current net price, so they should be able to provide the net price for prior years.

**As you can see below, modeling net price decreases demonstrates cost savings within five years, and flat prices would likely show savings within 6-7 years,** well within the statutory constraints of [REDACTED] That statute merely states that GIB benefit changes must “maintain or reduce premium costs for the state or its employees in the current or any future year.”

Note: The first table in each section below comes directly from Segal's cost analysis with the cost per prescription added for clarity, which was calculated by dividing the AOM cost by the number of AOM prescriptions. The subsequent tables have been updated to reflect flat or declining net prices.

**Full Rebate**

Segal Estimate						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	13,053	56,129	\$37,185,614	\$6,175,060	<b>\$31,010,554</b>	\$662.50
2026	16,234	84,530	\$59,012,775	\$21,716,516	<b>\$37,296,259</b>	\$698.13
2027	17,078	97,049	\$71,382,889	\$34,977,832	<b>\$36,405,057</b>	\$735.53
2028	17,461	106,382	\$82,425,828	\$48,469,853	<b>\$33,955,975</b>	\$774.81
2029	17,520	113,381	\$92,524,228	\$62,186,799	<b>\$30,337,429</b>	\$816.05
2030	17,355	118,429	\$101,772,140	\$75,948,834	<b>\$25,823,306</b>	\$859.35

Flat Net Price						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	13,053	56,129	\$37,185,463	\$6,175,060	\$31,010,403	\$662.50
2026	16,234	84,530	\$56,001,125	\$21,716,516	\$34,284,609	\$662.50
2027	17,078	97,049	\$64,294,963	\$34,977,832	\$29,317,131	\$662.50
2028	17,461	106,382	\$70,478,075	\$48,469,853	\$22,008,222	\$662.50
2029	17,520	113,381	\$75,114,913	\$62,186,799	\$12,928,114	\$662.50
2030	17,355	118,429	\$78,459,213	\$75,948,834	\$2,510,379	\$662.50

6% Annual Net Price Decrease (Milliman)						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	13,053	56,129	\$37,185,614	\$6,175,060	\$31,010,554	\$662.50
2026	16,234	84,530	\$52,641,272	\$21,716,516	\$30,924,756	\$622.75
2027	17,078	97,049	\$56,811,260	\$34,977,832	\$21,833,428	\$585.39
2028	17,461	106,382	\$58,538,200	\$48,469,853	\$10,068,347	\$550.26
2029	17,520	113,381	\$58,646,129	\$62,186,799	(\$3,540,670)	\$517.25
2030	17,355	118,429	\$57,581,766	\$75,948,834	(\$18,367,068)	\$486.21

**Partial Rebate**

Segal Estimate						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	7,406	31,844	\$26,908,178	\$3,503,319	\$23,404,859	\$845.00
2026	9,315	48,406	\$43,069,498	\$12,373,407	\$30,696,091	\$889.76
2027	9,602	54,802	\$51,335,325	\$19,912,500	\$31,422,825	\$936.74
2028	9,412	58,174	\$57,363,445	\$27,175,462	\$30,187,983	\$986.07
2029	8,950	59,520	\$61,774,139	\$34,048,327	\$27,725,812	\$1,037.87
2030	8,390	59,612	\$65,112,307	\$40,423,105	\$24,689,202	\$1,092.27

Flat Net Price						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	7,406	31,844	\$26,908,180	\$3,503,319	\$23,404,861	\$845.00
2026	9,315	48,406	\$40,903,070	\$12,373,407	\$28,529,663	\$845.00
2027	9,602	54,802	\$46,307,690	\$19,912,500	\$26,395,190	\$845.00
2028	9,412	58,174	\$49,157,030	\$27,175,462	\$21,981,568	\$845.00

2029	8,950	59,520	\$50,294,400	\$34,048,327	\$16,246,073	\$845.00
2030	8,390	59,612	\$50,372,140	\$40,423,105	\$9,949,035	\$845.00

6% Annual Net Price Decrease (Milliman)						
Year	Utilizers	AOM Scripts	AOM Cost	Medical Savings	Net Loss	Cost/Script
2025	7,406	31,844	\$26,908,178	\$3,503,319	\$23,404,859	\$845.00
2026	9,315	48,406	\$38,448,883	\$12,373,407	\$26,075,476	\$794.30
2027	9,602	54,802	\$40,917,472	\$19,912,500	\$21,004,972	\$746.64
2028	9,412	58,174	\$40,829,040	\$27,175,462	\$13,653,578	\$701.84
2029	8,950	59,520	\$39,267,298	\$34,048,327	\$5,218,971	\$659.73
2030	8,390	59,612	\$36,968,313	\$40,423,105	(\$3,454,792)	\$620.15

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