



How Health Plan Leaders Are Handling the GLP-1 Cost Crisis

2024 Update

2024 Update on the GLP-1 Cost Crisis



Use of GLP-1s spread like wildfire in 2023. New weight loss indications, aggressive marketing campaigns and intense media frenzy turned these drugs into a household name.

In early 2023, Virta commissioned a survey of 80 health plan executives (chief medical officers, chief pharmacy officers and actuarial leaders) to better understand how industry leaders were handling the GLP-1 cost crisis. [Read the original report here.](#)

Six months later, we followed up with 60 of those initial survey respondents to see how 2023 played out, find out if leaders were successfully able to impact rapidly growing GLP-1 costs, and understand their concerns for 2024.

GLP-1s continue to gain traction at an alarming rate among consumers and prescribers who believe it could be a “magic pill” to solve, what is too often, a lifetime struggle with obesity and weight management. And while weight loss drugs have shown positive clinical outcomes and are an important option for certain patients; concerns remain about cost, side effects and sustainability.

Here are the latest trends and strategies for GLP-1 cost containment from the senior health plan executives on the front line of this evolving challenge.

3 Key Trends Emerged

01

Diabetes and obesity remain the #1 and #2 top concerns for health plan leaders going into 2024 because of growing costs and downstream health impact.

02

Nearly two thirds of health plan executives forecast that GLP-1 cost growth will surge by more than 50%+ in 2024.

More than half say GLP-1s will be in their top 3 most expensive drug classes in 2024.

03

Health plan leaders’ belief in the efficacy and importance of lifestyle programs as an alternative to GLP-1s grew by almost 30%.

62% of leaders say they have rolled out a lifestyle program to members.

Respondent Demographics

60 of the 80 respondents from the early 2023 GLP-1 survey participated in this update. Participants were comprised of both clinical and non-clinical health plan leaders and key decision makers.

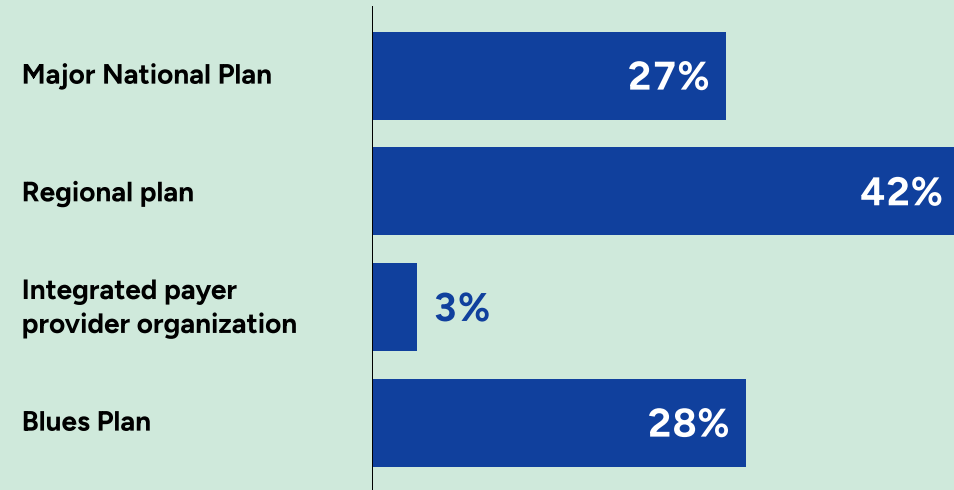
55% Clinical Leaders

Medical Director.....	22%
CMO, Company.....	17%
CMO, Region.....	8%
VP of Clinical Programs.....	7%
Chief Clinical Officer.....	1%

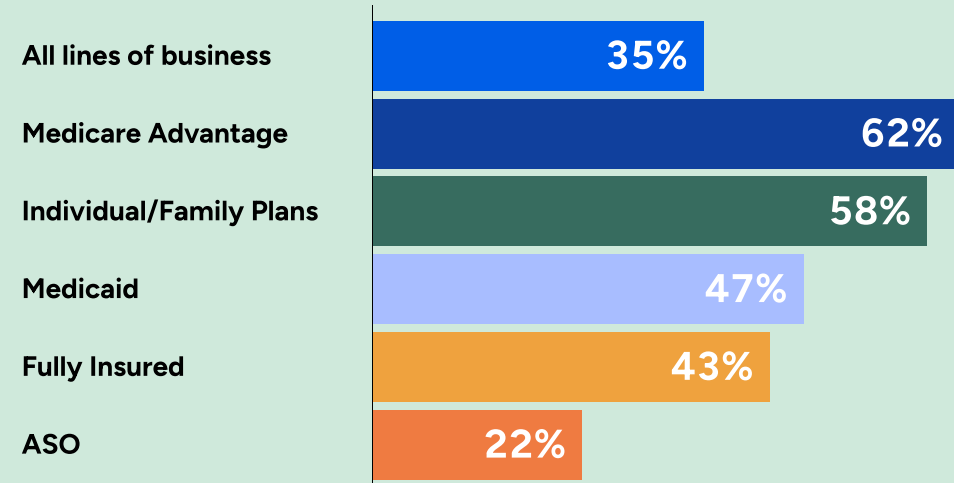
45% Non-Clinical Leaders

Chief Pharmacy Officer	15%
VP of Pharmacy.....	12%
Chief Actuary	8%
VP of Actuary Services	8%
VP of Product	2%

Respondents by Health Plan Type (n=60)



Lines of Business for Which Respondents are Responsible (n=60)



Part One

Accelerating GLP-1 Costs and Utilization

Rising prevalence and skyrocketing drug costs make diabetes & obesity top concerns for executives

When considering prevalence, pharmacy costs, emergency department visits and medical spend, **diabetes and obesity remain the #1 and #2 concerns of health plan leaders in 2024**, even over cancer, cardiovascular, MSK and mental health.

Six months after our initial survey, **100% of health plan executives remain concerned about the rising cost and utilization of GLP-1s for obesity and weight loss**—a reflection of the speed at which this cost crisis is accelerating.

And these concerns are well founded:

- More than 80% of patients with a semaglutide prescription this year (2023) have obesity, including nearly a third who have a BMI of 40 or higher¹.
- By 2030, the number of patients on a GLP-1 is expected to rise to 30 million, roughly 9% of the U.S. population².

Ranked Concerns For Executives (n=60)

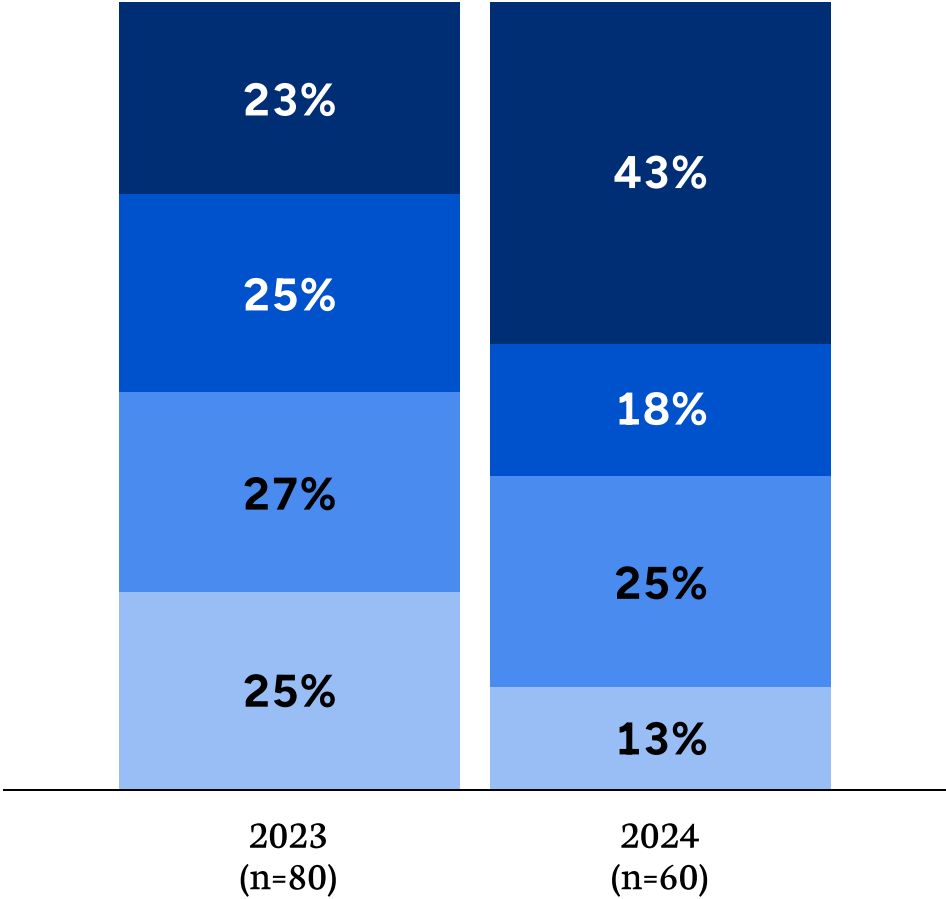
1. **Diabetes**
2. **Obesity**
3. **Cancer**
4. **Mental Health / Substance Use Disorder**
5. **Cardiovascular**
6. **Fertility & Maternal Health**
7. **Musculoskeletal**

GLP-1 growth is outpacing prior expectations

GLP-1s are growing even faster than health plan executives expected. In early 2023, 38% of executives expected 50% or more growth in 2023. By the end of 2023, 48% of the executives projected 50% or more growth in the given year. **Even more alarming, 62% of respondents predict 50% or more growth in 2024 alone.**

43% of executives expect 100%+ growth in GLP-1s for obesity and weight loss in 2024.

Expected Growth in GLP-1 Prescriptions for Obesity and Weight Loss



“The growth of these drugs and the number of people who could take them is truly staggering, especially given new weight loss drugs in the pipeline, which now include some oral GLP-1 options.

This will have disastrous cost implications for plans and employers who can't find a sustainable solution, not to mention the unknown long-term health impacts of these drugs.”

Gina Conflitti, MD

Former Chief Medical Officer

CIGNA Medicare

More than half say GLP-1s will be top 3 drug spend in 2024

Media coverage has portrayed GLP-1s as a miracle-drug, poised to finally solve the twin crises of diabetes and obesity.

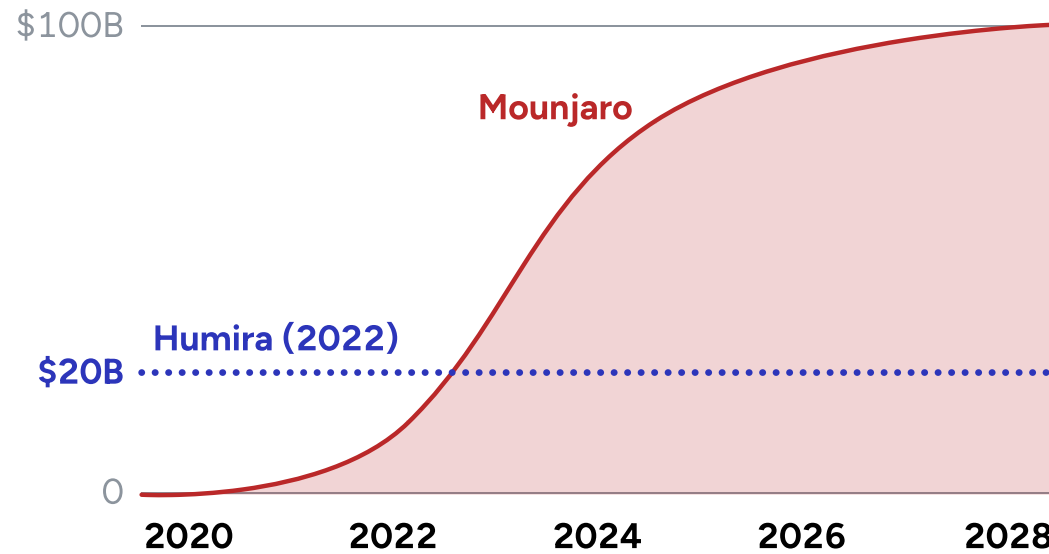
Reporting on the drugs also emphasizes the drug's potential to treat a multitude of chronic conditions—from mental health and alcohol use disorder to PCOS and even kidney disease.³

As indications for these drugs grow, so do sales and consumer demand, worrying executives about how often these drugs are prescribed.

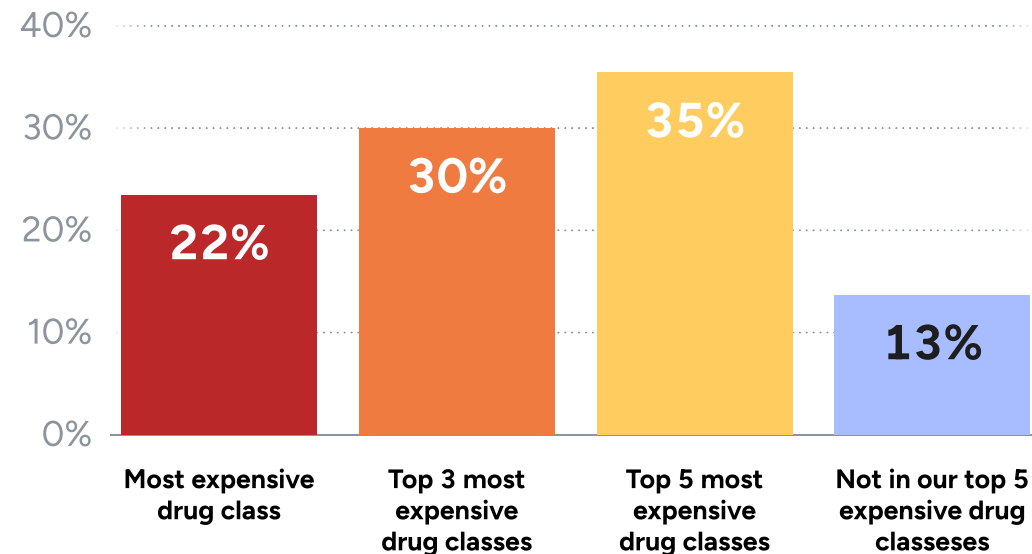
Analysts predict that Mounjaro may become the first \$100 billion drug, 5x the current best selling drug ever, Humira.⁴

For one fifth of executives, GLP-1s will be their most expensive drug class in 2024. And 87% of executives noted that GLP-1s will be in their top 5 most expensive drug classes.

Mounjaro (Tirzepatide) Annual Sales Projections



GLP-1s expected rank in organizations' Rx costs in 2024 (n=60)



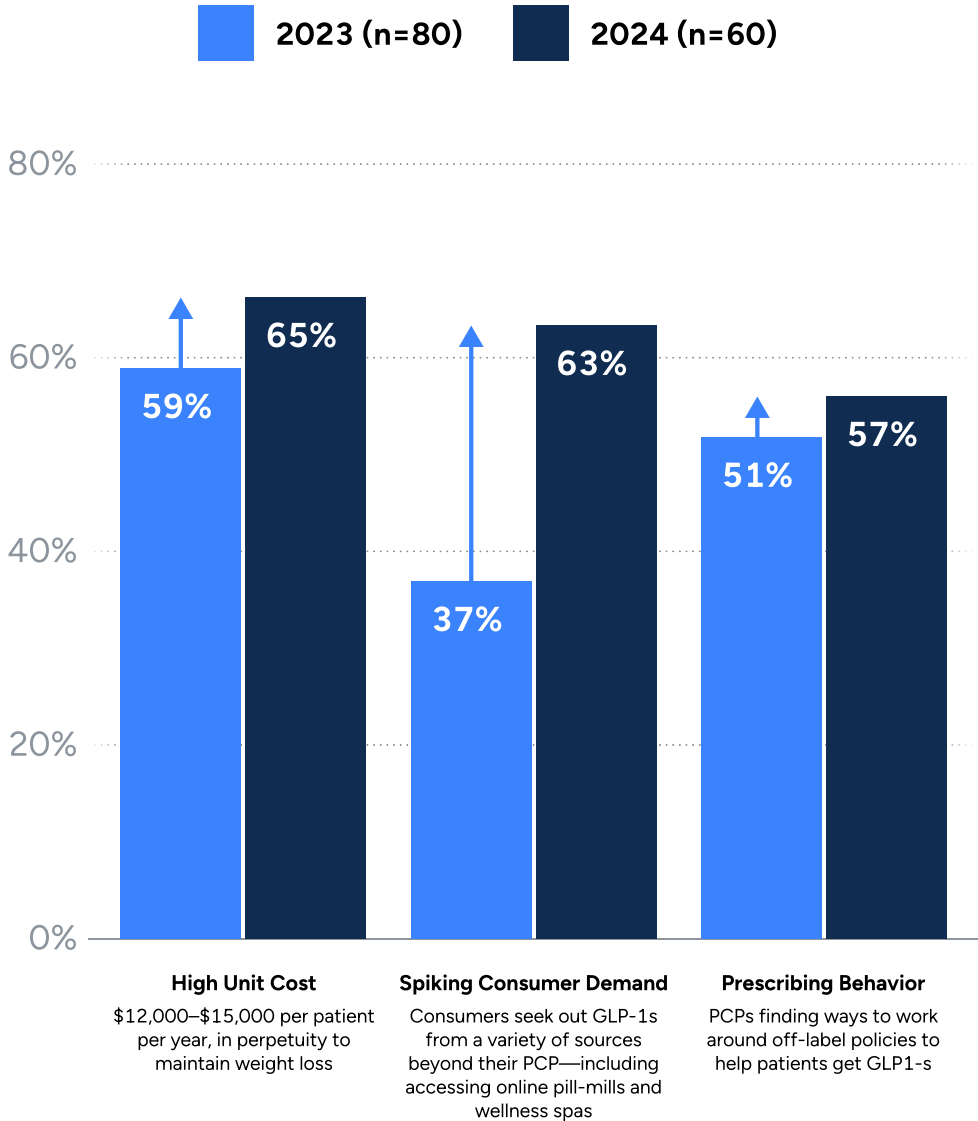
Executives are even more concerned about cost and spiking consumer demand than they were 6 months ago

At the beginning of 2023, execs were most concerned about the high unit cost of GLP-1s, prescribing behavior and predatory or aggressive pharmaceutical marketing.

By the end of the year, spiking consumer demand emerged as a top concern, jumping from 8th on the list to 2nd.

While new indications and surging prescription rates translate into added expense for the health plan, executives are also concerned that members without GLP-1 coverage are using online prescribers, wellness spas and international pharmacies to access the drug without provider oversight. This behavior translates to serious health risks for the member given the side effects being reported.

Top 3 concerns of health plan leaders around GLP-1s for weight loss



The majority of executives believe the media is misrepresenting GLP-1s

The media's frenetic coverage of GLP-1s for weight loss and obesity is resulting in unrealistic expectations among consumers who are eager to try these expensive drugs, which can average \$1,300 per patient per month⁵.

More than half of executives agree that traditional media coverage of GLP-1s is both misleading and over-represents the effectiveness of the drugs. 44% agree that coverage under-represents side effects.

In every major drug trial, GLP-1s were taken alongside calorie-restricted diets and exercise regimens, leading to impressive outcomes. However, media coverage portrays GLP-1s as a quick fix and downplays the importance of nutrition. Without these changes, patients are unlikely to reap and sustain the benefits of these drugs.

Aspects of GLP-1s most misrepresented (n=60)

1

Unreasonable expectations

2

Risk of negative side effects

3

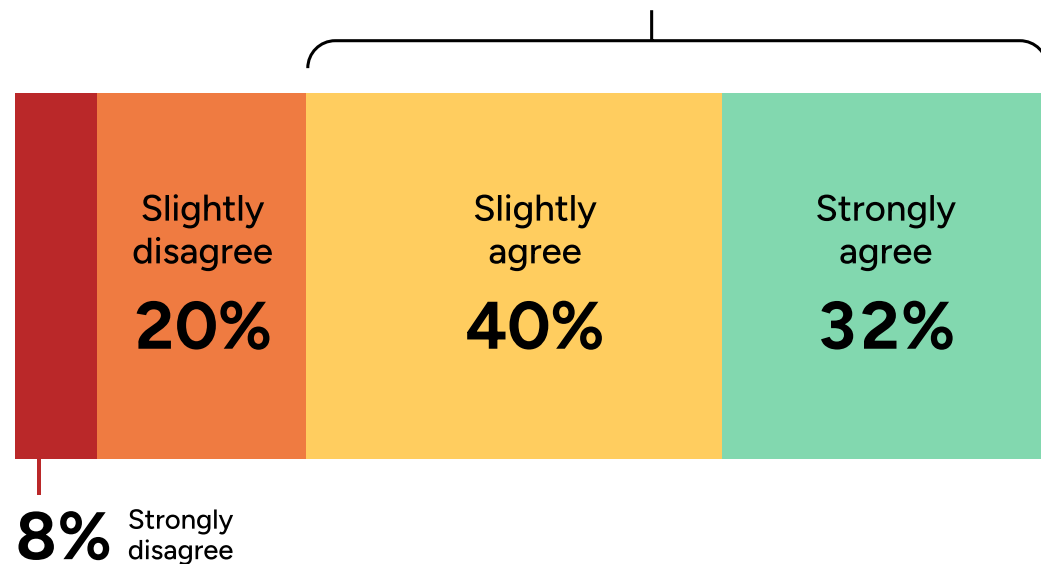
Individual success varies widely

“People are of the opinion that all individuals with diabetes or obesity will benefit from GLP-1 agonists, but they fail to understand that every individual has different needs and that it may not work the same way for everyone.”

– Survey Respondent

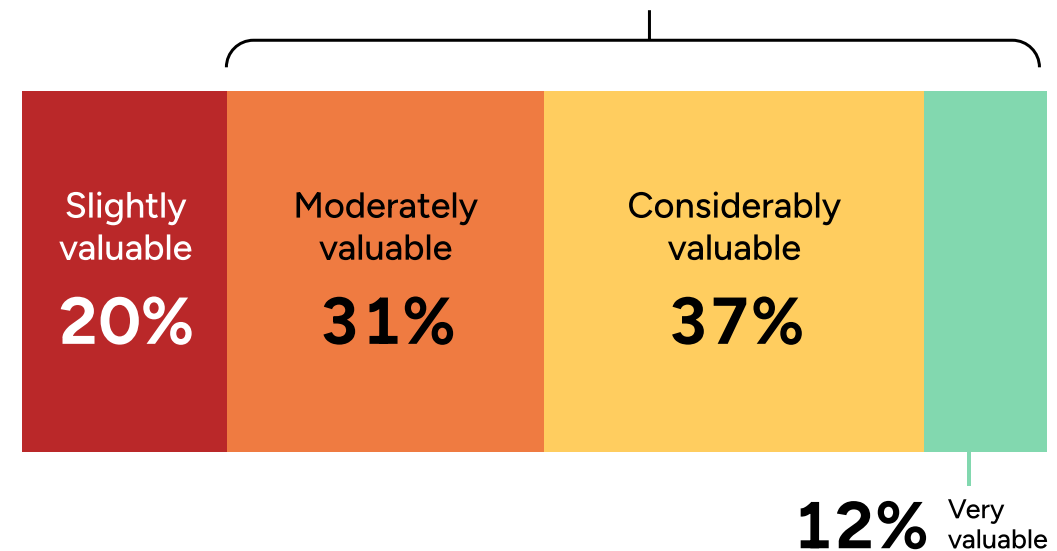
Executives are concerned GLP-1s are prescribed too often and too early

72% believe that GLP-1s are used more than they should be for obesity and type 2 diabetes (n=60)



Fueling executive's concerns over GLP-1 growth is a belief that they are prescribed more than necessary. Nearly three-quarters of respondents believe GLP-1s are used more than they should be across both obesity and type 2 diabetes indications. And 4 in 5 said it would be valuable to prevent new starts, showing that executives believe GLP-1s are not the "wonder drug" they are portrayed to be.

80% say it would be valuable to prevent new GLP-1 starts among their members (n=60, none have "no opinion")

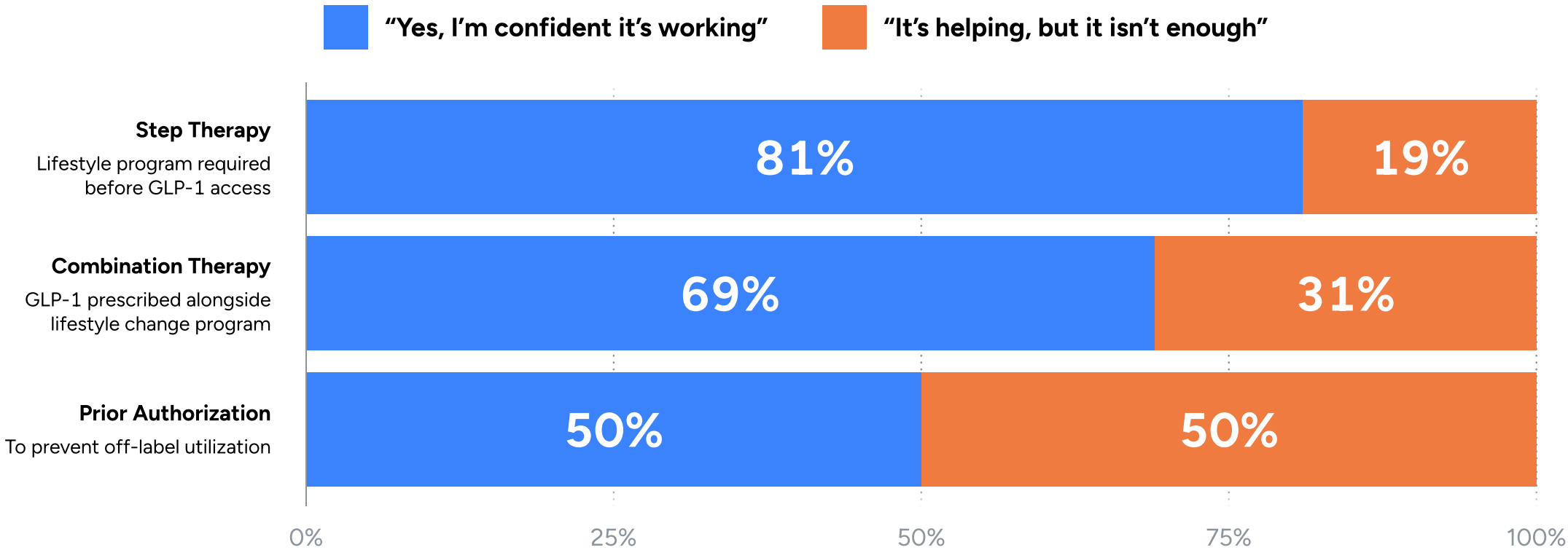


Executives offer mixed reviews on whether utilization management strategies are working

Healthcare executives currently employ a number of strategies to manage the utilization and cost of GLP-1s, including step therapies, prior authorization, and combination therapies.

And despite some confidence that these strategies are working as intended, **many executives report that these strategies are not enough to mitigate the surge in demand for these drugs.**

Perceived confidence among health plan leaders in current utilization management strategies (n=60)

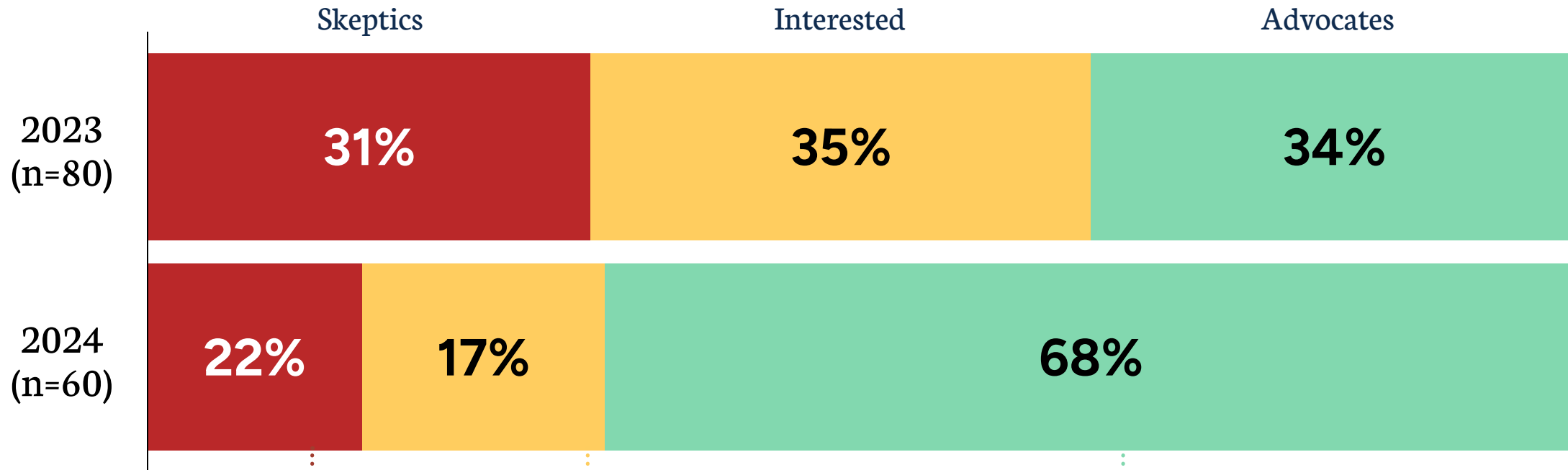


Part Two

Surging Interest in Lifestyle Programs to Contain GLP-1 Rx Costs

Lifestyle program advocates nearly doubles in six months

Health plan leaders were grouped into one of three categories based on their beliefs about using lifestyle programs to successfully combat the GLP-1 Rx cost crisis. By the end of 2023, the number of advocates nearly doubled, showing increased need for GLP-1 alternatives and off-ramp strategies.



Skeptics are curious about lifestyle programs, but *skeptical of clinical outcomes*, especially in the long term because they:

- Have been burned by expensive programs that didn't work and are nervous to invest more
- Feel overwhelmed by a noisy, crowded marketplace

Interested believe lifestyle programs are *good in theory, but too complex to operationalize* in the real world. They want programs with:

- Significant personalization
- A track record of operational excellence
- Validated clinical outcomes to alleviate their concerns

Advocates are *already investing* in lifestyle programs today to:

- Address the root cause of a disease
- Drive safe, sustainable behavior change
- Satisfy member choice
- Improve clinical and financial outcomes

Two-thirds of executives agree that lifestyle programs should be first-line therapy for obesity

60% of executives believe GLP-1s will continue to increase the cost of healthcare. As they grapple with these cost increases, momentum for lifestyle programs is growing.

65% of executives now believe that lifestyle programs should be used as a first-line therapy in treating obesity, prior to prescribing a GLP-1.

Lifestyle change and reversal programs can be an alternative to prevent new GLP-1 starts—or used as an off-ramp to wean members off the drugs once they achieve a weight loss target.

What makes a successful lifestyle program

Not all lifestyle programs are created equal. Seek evidence-based programs, like Virta, that leverage nutrition and intensive support to address the root cause of obesity or poor weight health. Virta helps members achieve rapid and sustained weight loss without drugs and can offer a sustainable off-ramp from GLP-1s once weight loss targets are achieved.

Top reasons executives like their lifestyle intervention programs⁶

Remission success rate and transformative clinical outcomes

Sustained behavior change

Normalized blood sugar; reduction and elimination of medication

A truly personalized approach made convenient to the member's needs

“Utilization Management strategies like step therapies and prior authorizations are valuable starting points to manage GLP-1 costs and utilization.

But the most successful and sustainable management strategies will emphasize and invest in lifestyle change for the member.”

Ken Mishler, PharmD, MBA

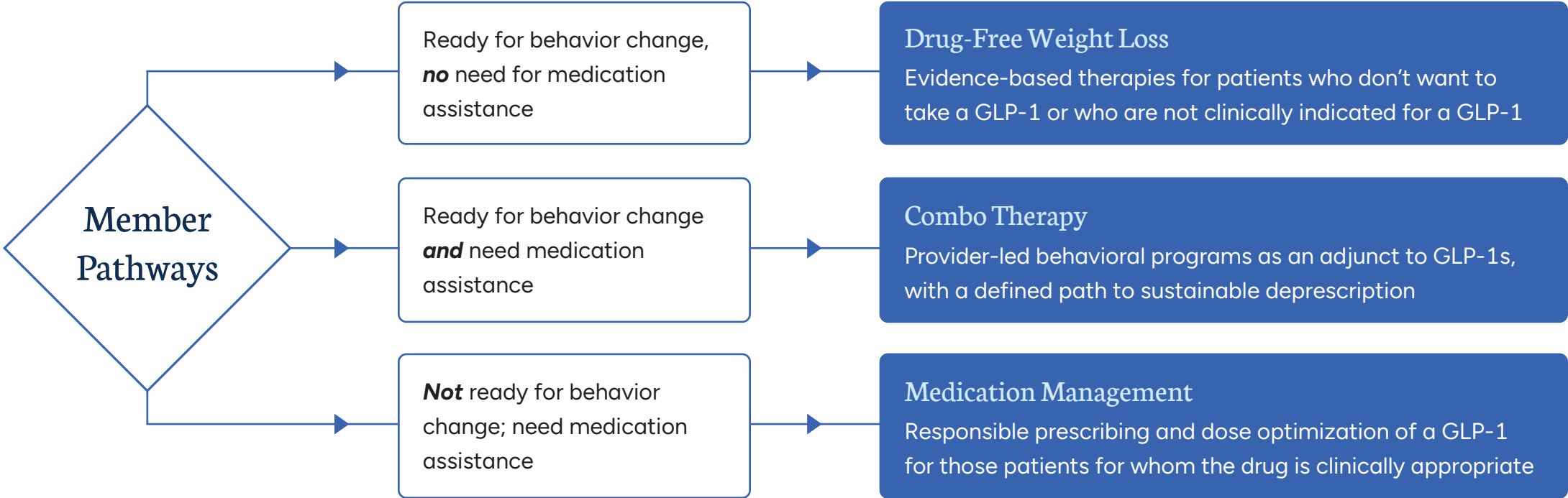
Former Chief Pharmacist

Blue Cross and Blue Shield of Kansas

Virta can guide the patient to the right option based on their readiness for change as well as their clinical needs

Lifestyle programs are growing in popularity because they can help leverage the power of GLP-1 drugs while containing costs and empowering patients to choose the care plan that is uniquely suited to them.

Lifestyle programs, when clinically proven and properly implemented, provide three distinct pathways to the same outcome—sustained, clinically-significant weight loss and managed costs for payers.



Final takeaways

Surging utilization and intense media frenzy around GLP-1s in 2023 proved that consumers believe a silver bullet may finally exist to treat the pain, suffering—and shame—brought on by a diagnosis of type 2 diabetes or obesity.

But for each promising report on outcomes and every sensationalized media article, there exist personal stories of patients cautioning us on the painful side effects, failed adherence and weight regain, and even financial hardship that so often accompany these drugs. Without provider oversight and comprehensive support for lifestyle change, these drugs do not succeed as intended.

GLP-1s pose a formidable challenge to health plan executives in 2024 and for the next decade as new drugs come to the market. It's imperative that executives act now to implement successful utilization management strategies that leverage evidence-based lifestyle programs, like reversal from Virta, as both an alternative to GLP-1s and a sustainable off-ramp for those on these medications.



About this Survey

Virta Health commissioned this research to capture the perspective of industry leaders, including relevant changes in attitude and sentiment, on new trends in obesity care. This survey sought to better understand:

- 1 **GLP-1 cost and utilization trends**
- 2 **Executives beliefs around GLP-1s and their role in obesity care**
- 3 **The emergence and value of lifestyle programs for weight loss**

Methodology

- 60 of the 80 health plan executives from Virta's initial study were re-interviewed from October 2023–November 2023.
- Surveys were completed using Computer-Aided Telephone Interview ("CATI") technology.
- Survey was blinded. Participants did not know that they were participating in a survey funded by Virta Health.
- The margin of error ("MoE") for the total results is ± 12.65 points at the 95% confidence level.



About Virta Health

Virta is a leading telehealth provider clinically proven to reverse type 2 diabetes, prediabetes, and obesity. Reversal is possible through nutritional therapy and fully virtual, provider-led medical group.

Contact Virta to learn more about offering reversal to your population today: partner@virtahealth.com



About Beresford Research

Beresford Research is a custom market research firm with over 30 years of marketing and strategic consulting experience providing quantitative and qualitative research with cleverly designed methodologies.

Footnotes

1. CNN, Prescriptions for popular diabetes and weight-loss drugs soared, but access is limited for some patients, September 2023.
2. JP Morgan, "The Increase in appetite for obesity drugs," November 2023.
3. New York Times, "What's Next for Ozempic?," December 2023.
4. Market Watch, "Bank of America: Lilly's tirzepatide could be the first \$100 billion drug," October, 2022.
5. Novo Nordisk, Saxenda List Price, Accessed February 2023.
6. Virta Health, How Health Plan Leaders Are Handling the GLP-1 Cost Crisis, July 2023.