



# Rising Costs Lead Insurers to Drop Weight Loss Drug Coverage, Further Increasing Patient Burden

By Hayden E. Klein

## TAKEAWAYS

The growing list of insurers dropping coverage for costly antiobesity weight loss drugs leaves patients to bear even higher out-of-pocket expenses while still struggling to meet their goals.

Blue Cross Blue Shield of Michigan will drop coverage of 3 major weight loss drugs effective January 1, 2025, but it is not the first insurer to cease coverage of glucagon-like peptide 1 receptor agonists.

Prescribers report challenges when insurance does not cover this medication and patients must pay out of pocket.

Advocates call for more efforts to educate patients and encourage adherence rather than dropping coverage.



**W**hat do you do when your insurer suddenly stops covering the drug you've been using every week for over a year to support your weight loss? Unfortunately, this is a question that many patients now must find an answer to.

In a move that could cause a ripple across insurers, Blue Cross Blue Shield (BCBS) of Michigan announced it will drop coverage of 3 major weight loss drugs: semaglutide (Wegovy), tirzepatide (Zepbound), and liraglutide (Saxenda).<sup>1</sup> This cessation of coverage

for popular glucagon-like peptide 1 (GLP-1) receptor agonists is set to take effect in January 2025, sparking a debate over the balance among cost, efficacy, and patient care.

Effective January 1, 2025, coverage for these drugs will end for fully insured, large group commercial members, with coverage ending on the renewal date for plans renewing after January 1. As of August 1, 2024, new prior authorization criteria for GLP-1 weight loss drugs began to be enforced, requiring some members to obtain a new prescription. These criteria are as follows:

- Members must be 18 years or older with a body mass index (BMI) of at least 35.
- Prescriptions must come from a provider who has seen the member in person.
- Prescribers must document current and baseline weights within 30 days.
- Members must show 6 months of documented lifestyle modification activities.
- Members must participate in a Teladoc Health program and provide a summary report.

BCBS Michigan is the largest nonprofit health insurer in the state, with 4.5 million covered members either living in or employed by companies based in Michigan. This decision will reportedly affect nearly 10,000 members on the GLP-1 medications.<sup>2</sup> For uninsured patients, medications such as semaglutide can cost up to \$1350 a month. The decision was made by BCBS Michigan more than 2 years into the semaglutide shortage, which was first reported in the US in March 2022.<sup>3</sup> Wegovy was approved for weight loss only 9 months before the shortage hit.<sup>4</sup> So what triggered this decision?

According to Bloomberg, a spokesperson from the Michigan insurer “cited consideration of the drugs’ effectiveness, safety, and cost in reaching this decision, but did not respond to a question about what the safety concerns were.”<sup>2</sup>

According to the BCBS Michigan provider alert, the decision was based on a number of factors, including research indicating that weight loss success is significantly higher when medication is used in combination with lifestyle changes such as diet and exercise rather than on its own.<sup>1</sup> Additional BCBS data showed that most patients do not stay on these medications long enough to benefit, with more than 30% of patients discontinuing treatment within the first 4 weeks, before the 12-week minimum and before they reached the targeted dose.<sup>5</sup> Because the drugs also come with a high price tag and supply issues, BCBS Michigan aims to “ensure they are used for the most appropriate patients who can achieve clinical benefit.”<sup>1</sup>

“This is why we’re requiring that members on Saxenda, Wegovy, or Zepbound participate in the weight management program through Teladoc Health,” the BCBS Michigan provider alert stated.

In an interview with *The American Journal of Managed Care (AJMC)*, Ian Neeland, MD, called the news “disappointing,” “counterproductive,” and “moving in the opposite direction” of what CMS stands for in terms of secondary prevention of cardiovascular disease for patients with overweight or obesity.

Neeland serves as director of cardiovascular prevention and codirector of the Center for Integrated and Novel

Approaches in Vascular-Metabolic Disease at University Hospitals Harrington Heart & Vascular Institute, and associate professor of medicine at Case Western Reserve University School of Medicine. He previously spoke with *AJMC* about the significant rise in interest in semaglutide for weight loss in 2023, as he received many referrals to his practice due to the link between cardiovascular health and weight.<sup>6</sup> Although he often prescribes GLP-1 receptor agonists to manage obesity, he also faces challenges when insurance doesn’t cover the medication, forcing patients to pay out of pocket. Some patients can afford it, but many cannot, making it difficult to provide effective treatment.

BCBS Michigan is not the first insurer to drop coverage of GLP-1 drugs for weight loss. In January 2024, North Carolina’s State Health Plan—which covers almost half a million members—announced it was dropping coverage of these drugs for state employees due to high costs and unsuccessful price negotiations with drugmakers, with the decision taking effect in April.<sup>7</sup> The State Health Plan spent \$100 million on GLP-1s for weight loss in 2023 and faced a projected \$1.5 billion loss by 2030. Attempts to halt new patient coverage led to Novo Nordisk withdrawing rebates, thus increasing prescription costs by \$54 million for existing patients. According to Bloomberg, this decision reflects a broader struggle among states and insurers to manage soaring costs in the growing antiobesity drug market.

RWJBarnabas Health also ceased coverage in February due to issues with sustained adherence, and Ascension ended coverage for its 139,000 employees in July, citing safety and cost concerns.<sup>8</sup> Additionally, Hennepin Healthcare stopped coverage for Wegovy and similar injectable drugs, pointing to both high costs and adherence issues. Meanwhile, Fairview Health Services began limiting coverage of Wegovy and Saxenda to employees with a BMI of 40 or higher, anticipating a \$10 million annual cost without this policy.

HealthPartners will also limit employee coverage for weight loss medications but has not detailed the restrictions, and Mayo Clinic has imposed a \$20,000 lifetime limit on weight loss medication coverage through its employee health plan, excluding GLP-1s for diabetes.

## WHY ARE PATIENTS DISCONTINUING SO EARLY?

In an interview, a 63-year-old patient from New Jersey who opted to remain anonymous said it took her 6 months of uptitration to get to a dose that led to results: the 2.4-mg injection, the highest available dose of Wegovy.

“I’m just now starting to see a difference in myself and my appetite and cravings now that I’m at the highest dose,” she told *AJMC*.

Her journey looked like this: She had a conversation with her cardiologist about wanting to try semaglutide for weight loss, and she qualified based on her BMI, which she did not disclose in the interview. Her primary care physician (PCP) showed clear support, prescribing her the first dose of generic semaglutide through a compounding pharmacy, but during her initial 3-month uptitration course, the patient saw no improvements in weight or appetite and was feeling only the adverse effects of the drug. After taking a 3-month break, they started the uptitration cycle again on brand name Wegovy, and she has been on it for 6 months.

A year into her overall experience with the GLP-1 therapy, someone finally told her how to supplement the GLP-1 therapy with diet and exercise that were realistic to her and her lifestyle, and it wasn't her PCP—it was a bariatric doctor whom she had started seeing a month prior. The patient says there was never a real conversation about diet and exercise with her PCP, but she feels more optimistic now that a bariatric doctor and a nutritionist are checking in with her.

“Sure, I could've taken more initiative in asking [my PCP] more questions about diet, but it's her job to tell me everything I need to know about taking this drug,” she said.

The patient added that she is “not too shocked” that many patients stop taking injections so early, especially because popular media presents it as a “miracle drug,” but understands why insurers and providers would be frustrated with the high costs and low adherence. However, she expressed disappointment that this led to dropped coverage instead of more efforts toward patient education and encouragement to continue, which she feels were lacking with her PCP.

“It's frustrating to see all these celebrities look they just took a couple of injections and had the weight just fall off them,” she added. “But I guess the part you don't see is all the private chefs, personal trainers, private doctors, money—all that stuff that's actually going on behind the scenes that makes it look like they just shed 100 pounds overnight. So I'm not too shocked that a lot of patients dropped the injections so early when the media makes it look that easy when it's actually not. It took me a year for someone to finally give me, a normal person, the right instructions. I'm sure Oprah got them a lot faster.”

**AUTHOR INFORMATION:** Ms Klein is an employee of MJH Life Sciences, parent company of the publisher of *Population Health, Equity & Outcomes*.

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