

SIR 2025 Annual Conference

CHICAGO, IL
Fairmont Hotel in Chicago

May 4-6, 2025



SIR | SOCIETY OF
INSURANCE
RESEARCH

**SIR 2025
Annual
Conference**

CHICAGO, IL
Fairmont Hotel in Chicago

May 4-6, 2025



**GLP-1 Drug Studies:
Efficacy, Endurance, and Cost Effectiveness in Health
Insurance Coverage**

**Michael Bertaut, Healthcare Economist
Louisiana Blue**

Population Health Type 2 Diabetic Statistics

- 37 million Americans (out of 335 million people, roughly 11% of us) have Type 2 diabetes.
- Type 2 represents 95% of all diagnosed diabetes cases.
- In Louisiana the number is higher, 14.5% (505,000 people).
- 85% of Type 2 diabetics were obese when diagnosed (BMI 30+).
- About 38% of Louisiana's population is BMI 30+
- About 30% of BCBSLA's covered lives are BMI 30 or higher

***Multiple studies used from 2016-2022 sourced from Harvard Medical, US CDC, US NIH, the American Diabetes Association and the American Hospital Association



Lesser-Known Stats About Type 2 Diabetes and Non-Diabetic Obesity

- The actual progression of an obese population to Type-2 Diabetes (A1C 7% or higher) is not well understood and very difficult to predict on a case-by-case basis.
- 0.9% of the adult BMI 30+ population present with Type-2 Diabetes in an average year (2022, ~9 per 1,000 obese)
- Up to age 33, the conversion rate is 0.3% (3 per 1,000)
- Estimates of the incremental direct healthcare costs of Type 2 diabetics (over non-obese, non-diabetic folks at the same age) range from \$495 pmpm to \$1,105 pmpm in extra costs.***
- Estimates of the all-in incremental costs of non-diabetic obesity range from \$149 pmpm to \$254 pmpm.

***Multiple studies used from 2016-2022 sourced from Harvard Medical, US CDC, US NIH, the American Diabetes Association and the American Hospital Association



Financial Simulation #1:

GLP-1 Coverage for Type 2 Diabetes (36 Month Simulation)

Model Parameters	Employer Model	Carrier Model
Covered Lives (Members)	3,000	500,000
Type 2 Diabetics	426	72,500
Total 3 Year Medical Spend w/o GLP-1	\$38 Million	\$6.3 Billion
Expected 3 Year Drug Spend w/o GLP-1	\$9.5 Million	\$1.575 Billion
GLP-1 Diabetic Enrollment	75% Year 1, 90% Year 2, 95% Year 3	50% Year 1, 75% Year 2, 85% Year 3
Total GLP Prescription/Months (3 Years)	12,418	1,551,178
GLP-1 Spend @ \$900 pmpm (3 Years)	\$11.18 Million	\$1.40 Billion
Avoided Cost Savings Offset (3 Years)	\$9.50 Million	\$1.17 Billion
Net Cost (3 Years)	\$1.68 Million	\$224 Million
Net Expense Per Enrolled Member Month	\$134.94	\$144.44



Financial Simulation #2:

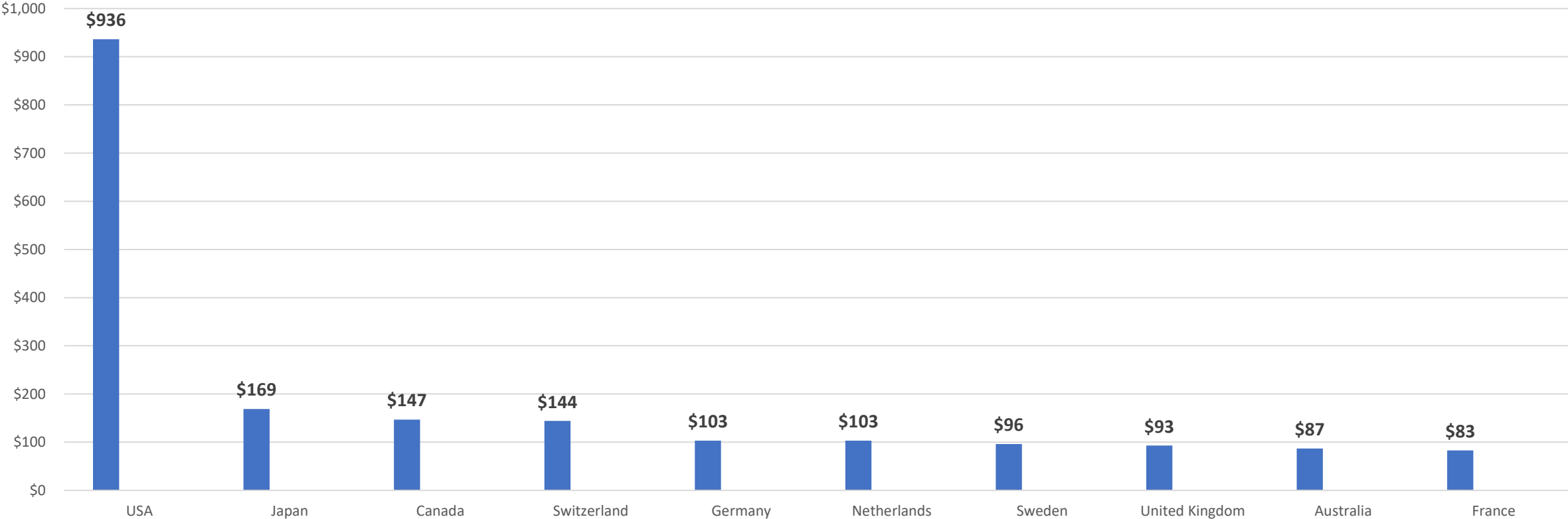
GLP-1 Coverage for Non-Diabetic Obesity (>30 BMI)

Model Parameters	Employer Model	Carrier Model
Covered Lives (Members)	3,000	500,000
Total Obese Population (BMI 30+)	1,200	200,000
Total 3 Year Medical Spend w/o GLP-1	\$38 Million	\$6.3 Billion
Expected 3 Year Drug Spend w/o GLP-1	\$9.5 Million	\$1.575 Billion
GLP-1 % of Obese Enrollment	20% Year 1, 30% Year 2, 35% Year 3	15% Year 1, 20% Year 2, 25% Year 3
Total GLP Prescription/Months (3 Years)	10,351	1,158,169
GLP-1 Spend @ \$970 pmpm (3 Years)	\$11.39 Million	\$1.28 Billion
Avoided Cost Savings Offset (3 Years)	\$1.90 Million	\$212.1 Million
Net Cost (3 Years)	\$9.49 Million	\$1.06 Billion
Net Expense Per Enrolled Member Month	\$655.75	\$654.21



Kaiser Family Foundation List Pricing Survey

Kaiser Family Foundation List Pricing Survey
1 Month Basic GLP-1 Dose
August 2024



The Novo Nordisk/Wegovy Cardiac Study

- **Topline:** “20% fewer cardiac events by people on Wegovy vs Control Group!!!”
- **Details:** 17,600 member study over 5 years in 41 countries via 800 test sites (data collection???). Members were non-diabetics with BMI’s over 27 and a history of cardiac disease (or family history)
- 8,800 given Wegovy, 8,800 placebo in group.
- ~1,200 cardiac events observed during trial
- Placebo Group had ~660 cardiac (infarction, death, stroke) events
- Wegovy Group had ~525 cardiac events (~20% fewer than control)
- Total value of applied Wegovy at US prices?
- \$713 MILLION!!! (\$5.3M per avoided heart attack/stroke)



“FDA Approves Zepbound for Obstructive Sleep Apnea!”

- Two controlled studies of 469 non-diabetic adults with obstructive sleep apnea and obesity
- Half of the adults used CPAP machines, other half was unable or refused.
- Half randomly given placebo, half Zepbound weekly.
- Group was provided drugs for 52 weeks.
- Significant weight loss was recorded in the group.
- Obstructive apnea events were reduced in Zepbound group by an average of 50% (from 40 events/hour to 20 events/hour or less.
- ***“The improvement in AHI in participants with OSA is likely related to body weight reduction with Zepbound.”***



“ELI LILLY Direct” and “NOVOCARE”

- Eli Lilly now sells, through their website, Zepbound for weight loss at “direct” pricing.
- Novo Nordisk responded by launching NovoCare to offer Wegovy at a discount when purchased directly from the manufacturer.
- Will not go through pharmacy benefit or accrue to deductible. True Direct.
- **Pricing is \$349/month (Zepbound entry dose) to \$499/month (Wegovy entry dosage). Bigger dosages cost more.**
- All you need is a prescription and you’re on your way!
- **Will employer groups support this opportunity with a little cash?**
- Shipped in 1 dose vials patient must draw themselves, no fancy pens.



Worries from the GLP-1 World....

- Blue Plan claims analysis show roughly 60% of all GLP-1 users stop filling their prescriptions within 6 months. Price, coverage, contraindications are all cited as factors.
- Seniors on GLP-1 drugs are demonstrating severe loss of muscle mass (up to 40% of loss) along with weight loss, thus challenging functionality
- **“Overall exercise rates among GLP-1 users is declining...” -Avantika Waring, Chief Medical Officer, 9am Health**
- The “compounding window” for GLP-1 drugs is closing with FDA determinations that there is no longer a shortage. Compounders are suing but are unlikely to win any sort of stay.



Financial Worries from the GLP-1 World....

- **6 Blue Cross Plans reported \$2.5 Billion in losses during 2024.**
- **All cited widespread coverage of GLP-1 Drugs for non-diabetic obesity as contributed to their losses.**
 - BCBS Michigan lost (\$1.7 Billion)
 - BCBS Arkansas lost (\$226 Million)
 - BCBS Massachusetts lost (\$223 Million)
 - Highmark NY lost (\$166 Million)
 - BCBS Rhode Island lost (\$115 Million)
 - BCBS Vermont lost (\$62 Million)

Plans that did not cover (or ceased to cover) GLP-1's for the non-diabetic obese in 2024 very rarely lost money.



GLP-1 Weight Loss Stats Among Blue Plans (consortium study of 160,000+ users for 3 years)

- Most prescribed by PCP's, not any specialty
- Average age 45 years old
- 80% female
- Less than half complete 12 weeks of treatment if prescribed by PCP. Significantly longer persistence is prescribed by specialty care (like endocrinologist)
- Users under 35 years old were least likely to complete a course of treatment beyond a few weeks.
- **Zero net cost savings overall within the three years of population monitoring.**



Selected Sources

- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5319814/>
- <https://diabetes.org/about-us/statistics/cost-diabetes>
- <https://www.cdc.gov/diabetes/library/spotlights/diabetes-facts-stats.html#:~:text=Key%20findings%20include%3A,t%20know%20they%20have%20it.>
- <https://www.hsph.harvard.edu/obesity-prevention-source/obesity-consequences/economic/>
- <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2891924/>
- <https://www.jmcp.org/doi/10.18553/jmcp.2021.20410>
- <https://pubmed.ncbi.nlm.nih.gov/33470881/#:~:text=RESULTS%3A%20Adults%20with%20obesity%20in,to%20233.6%25%20for%20class%203.>
- <https://milkeninstitute.org/sites/default/files/reports-pdf/Mi-Americas-Obesity-Crisis-WEB.pdf>
- <https://atm.amegroups.com/article/view/89415/html>
- <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2796491>
- <https://www.stlouisbariatrics.com/obesity/obesity-and-the-cost-of-diabetes/>



Don't be Scared of Change!!!



Michael Bertaut,
Healthcare Economist
Blue Cross and Blue Shield of Louisiana
225-573-2092
Michael.Bertaut@bcbsla.com



"Mike Bertaut" on Linked-In
Sign Up for Our Blog!
www.straighttalkla.com

