

White Paper

Navigating Obesity and Diabetes Costs

How Employers, Health Plans, And PBMs Can Achieve Better Outcomes For Members

Updated: September 2024

**9am
Health**

Summary

The impact of weight loss medications on your organization

This white paper examines the ongoing effects of diabetes and obesity on employers, health plans, and PBMs—as well as the solutions these groups can take to save on costs and achieve better outcomes for members.

Over 38 million Americans live with diabetes and other chronic conditions, with diabetes being the eighth leading cause of death in the United States. According to the American Diabetes Association, as of 2023, diabetes has cost:



\$412.9 billion: Total cost of diagnosed diabetes in the United States in 2022



\$306.6 billion was for direct medical costs



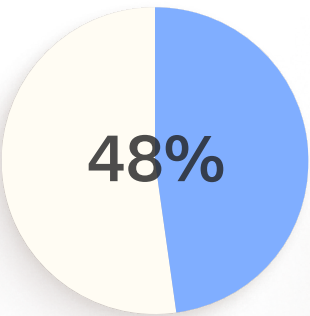
\$106.3 billion was in indirect costs

While over 40% of adults live with obesity, this number has increased over the past decade. This not only impacts people's lives but increases the overall cost of medical care. Annual medical costs are \$1,800 higher for people living with obesity versus their healthy-weight counterparts.

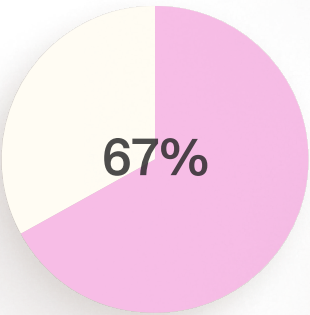
The cost of health is physical, mental, and absolutely financial. With new medications, specifically glucagon-like peptide agonists (known commonly as GLP-1 drugs), rising in popularity, new conversations around cost and availability are happening among both healthcare providers and employers. As people struggle to obtain or afford these medications, their priorities are shifting.

9amHealth commissioned an online survey to uncover U.S. consumers' attitudes toward weight loss medications. The study was conducted among 1,300 nationally representative Americans in December 2023.

The study revealed that:



48% of the respondents surveyed are taking or want to take a semaglutide medication (GLP-1) for weight loss. However, only 30% of employers cover GLP-1 medications.



67% of respondents would be “likely” or “very likely” to stay at a job they didn’t like in order to sustain coverage for weight loss medication.



When it comes to job perks, respondents ranked **coverage for weight loss medications** as more important than child care assistance/reimbursement, unlimited PTO, work-from-home or hybrid work models, and team bonding activities.

Demand for GLP-1 diabetes and weight loss drugs like Ozempic, Wegovy, and Zepbound continues to rise, with the market for obesity drugs predicted to reach \$77 billion by 2030. However, the high cost of coverage cannot be ignored.

A 2024 employer survey among over 400 employers showed that 57% provide coverage for diabetes only (up from 49% in 2023), and 34% provide coverage for both diabetes and weight loss (up from 26% in 2023). Of those that currently only offer GLP-1 coverage for diabetes, 19% are considering offering the drugs for weight loss. While the popularity of GLP-1s for weight loss is undeniable, the cost is certainly a barrier at every level, making it imperative for healthcare plans and programs to begin considering effective alternatives to weight loss and a holistic, 360° approach to treatment.

Problem

As GLP-1s rise in popularity— so does the cost

Recently, the healthcare system has experienced a steep rise in prescription medications for weight loss, specifically GLP-1 drugs. These medications are not new and have been used for over fifteen years to treat people living with type 2 diabetes. Providers and patients have discovered that weight loss is a “side effect” of these medications when used to treat diabetes. Now, the medical community wants to harness this effect to help reduce weight in people living with obesity.

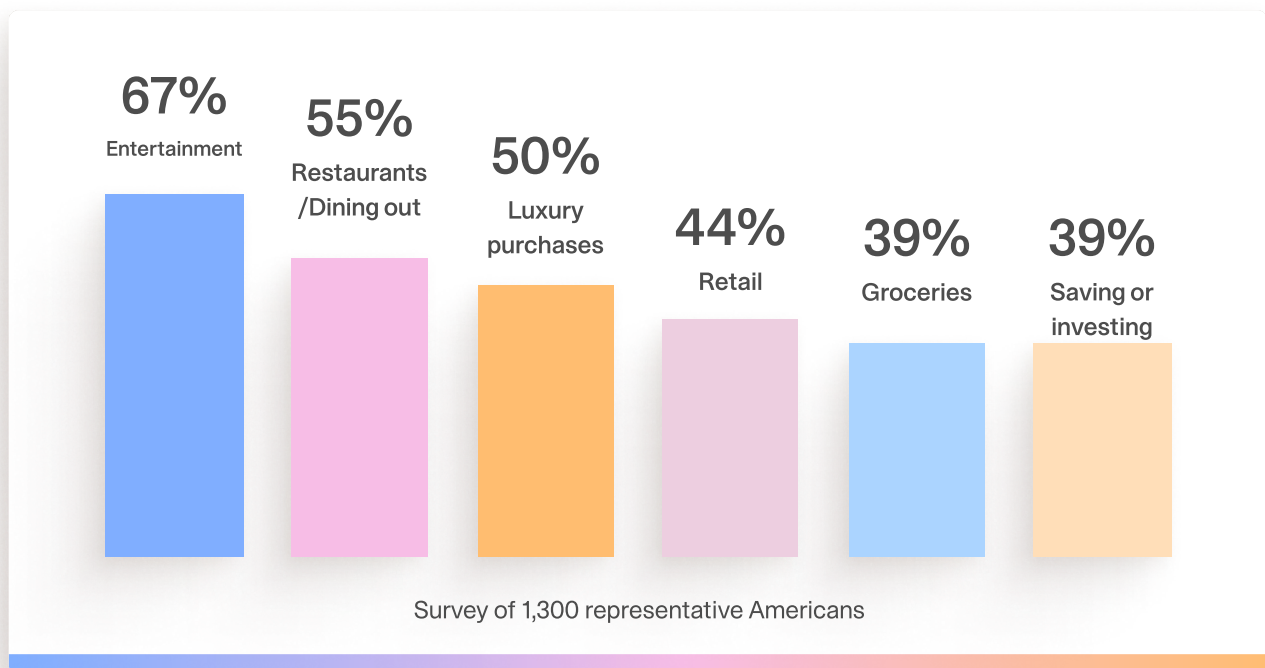
These drugs have risen in popularity as new studies have come out demonstrating strong weight loss outcomes in people without diabetes, and perhaps more so through their promotion on social media.

Many are familiar with the increased risk of diabetes with higher BMI. Still, several other significant weight-related complications greatly impact people's health and drive up medical costs. Metabolic dysfunction-associated steatotic liver disease (MASLD, formerly known as NAFLD) has become the most common liver disease, with over 70% of obese individuals impacted.

There are currently only three GLP-1 medications approved by the FDA for use for obesity without diabetes: Wegovy, Saxenda, and the newly approved Zepbound. However, many Americans desperate for help losing weight have been turning to any version of these drugs, including off-label use.

In a survey conducted by 9amHealth, 38% of respondents reported having tried compounded knock-off GLP-1s/semaglutide or black market weight loss products that have not gone through FDA approval in the past, greatly increasing the risk of complications or adverse reactions. The demand for these medications is so high that not only are people willing to take risks, but are also reporting changes in their personal spending habits to budget for these medications.

To afford these medications, 50% are cutting back on daily spending:



Because these drugs are brand name only and have high costs, the trend has not only impacted payors and employers but also resulted in shortages of essential GLP-1 medications, like Ozempic, for people who rely upon them for diabetes management.

GLP-1 medications at a glance

GLP-1 medications are highly effective, with the newest approved medication, Zepbound (a dual GLP-1/GIP agonist), producing an average of 20% weight loss at the highest dose. However, when these medications are stopped with no other intervention, much of the weight lost is regained.

They are safe and effective at reducing blood glucose levels, or A1c, in people living with type 2 diabetes. Some of the medications in the class also have cardiovascular benefits for high-risk individuals.

With the currently available medications, the maximum weight loss effect appears to occur after at least 12 months of therapy, and all are recommended to be used in conjunction with lifestyle changes.



These drugs do not work the same for all people. For a variety of reasons, some individuals will lose more than others on the drugs. Therefore, to ensure we are using the medications responsibly and patients are benefiting, close monitoring and follow-up are needed throughout the process.

An analysis of health insurance claims found that 58% of people using GLP-1 medications were on their treatment plan for less than 12 weeks. There are significant side effects that can make GLP-1 drugs difficult to take. Studies of Wegovy show over 30% of participants experienced nausea. People may have certain medical conditions that preclude GLP1 use. In addition to decreasing fat mass, GLP-1 medications can also reduce muscle mass, which is not a desired effect.

Solution

The 9amHealth Approach

If correctly prescribed to the “right” patients, these medications can be a powerful tool in our toolbox for the treatment of obesity. However, no one type of drug is a panacea, and every patient will have a different path to success in their weight loss journey. Since we know that a healthy sustainable diet and continued physical activity are important for health (beyond the number on the scale) and are essential for GLP-1 medications to work best, our approach always starts with the pillars of lifestyle change.

We leverage other medications beyond GLP-1 type drugs, when clinically appropriate, to help support weight loss. Some generic and long-studied medications can help with aspects of obesity such as insulin resistance, binge eating, and cravings. By customizing a medication to a patient's needs, we can better get to the root of the issue. Clinical outcomes show an impressive 2.3% A1c reduction, systolic blood pressure reduction of 17.7mmHg, and 95.61% medication adherence among 9amHealth members over 6-12 months. Average body weight was down by more than 13% for members participating in 9amHealth's intensive weight management program.

9amHealth's clinical program emphasizes a strategic approach to navigating treatment options. Our SmartStep Method guides members who haven't participated in other weight loss programs through a 12-week app-based program, with hands-on support from our Health Coaches. Step by step, we empower members to make informed lifestyle choices before prescribing costly GLP-1 medications. In most cases, health plans require this process to approve prior authorizations for these medications. While some of our members ultimately take GLP-1s, all are presented with the most effective solutions tailored to their specific needs, including cost considerations, to support smart decision-making for each individual.

These program pathways result in lower rates of obesity-specific GLP-1 prescribing, particularly off-label or non-formulary prescribing, which drives vast savings.

To date, and based on our model of care, 9amHealth can deliver an ROI of 4x or greater.

This calculation is mainly driven by implementing evidence-based and patient-centered step therapy for obesity management. The first step for most program members is a comprehensive and intensive lifestyle change program, which is shown to reduce weight by 5-7% and the progression of chronic conditions such as type 2 diabetes.

The program leverages multiple modalities of care, including:



Moving patients to therapy appropriate for their indications (i.e., GLP-1 agents labeled for type 2 diabetes)



Use of affordable generic medications known to promote weight loss



Mental health referrals



Bariatric surgery referrals for those who fall into the morbid obesity category

Outcomes

A whole-health solution that delivers results

Members in our intensive weight management program have seen an average **11% reduction in body weight (-22.8lb) over an 8-month period**. This translates to a **15.2% reduction in BMI**, or an average of **-4.7 BMI units**.

Members in our intensive weight management program who are NOT on anti-obesity indicated GLP-1 drugs (Wegovy, Saxenda, Zepbound) have experienced even greater weight loss: **An average 16.9% reduction in body weight (-33.2lb) over an 8-month period**. This translates to a **14.4% decrease in BMI**, or **-4.6 BMI units**.

We achieve these results through a customized approach to healthcare which curbs medication spend.

We provide alternative solutions that are clinically effective and lower in cost, such as:

- Intensive lifestyle modifications
- Medication optimization
- Medication de-escalation
- Modern pharmacy experience
- Care escalations

According to the latest data, non-surgical weight loss is associated with medical cost savings. One study shows that a >10% weight loss was associated with -\$185.41 per person per month cost savings (\$2,224.92 annually). Given our 14-15% body weight reduction over 8 months, the cost savings associated are significant.

Another study found that every 1 unit of BMI decrease was associated with \$752 annual savings for people living with obesity and diabetes and \$367 annual savings for people living with obesity and hypertension.

Given the four or greater unit reduction in BMI in the 9amHealth program, this translates to \$1,468–\$3,008 annual savings per patient, depending on obesity-related comorbidities.



Conclusions

Offer your organization customizable care

The findings presented in this white paper support the conclusion that GLP-1 medications for weight loss show no signs of slowing down in popularity. Having a medical plan that offers these drugs is crucial for attracting and retaining employees and members.

The 9amHealth approach to healthcare veers away from a one-size-fits-all ideology and instead provides patients with a customized experience—one that can include GLP-1 drugs if deemed necessary. We treat our members with solutions tailored to their unique needs—removing any superfluous treatments.

9amHealth offers high-value benefits that drive costs down:



Access to diabetes and obesity specialists without the visit fees.



Asynchronous physician consultation and prescribing to drive efficiency, scalability, and health equity



Tailored coaching, education, and nutrition guidance



Medical care into one digital experience

Introduce your employees/members to a whole-health solution—all while curbing medical spend.

[Schedule A Demo Here >](#)



References

1. 9amHealth. (2023, June 1). 9amHealth Economics Model (A. Waring, Ed.). Join9am.Com. [https://21917313.fs1.hubspotusercontent-na1.net/hubfs/21917313/\(9amHealth\)%20White%20Paper-Weight%20Management-ROI.pdf](https://21917313.fs1.hubspotusercontent-na1.net/hubfs/21917313/(9amHealth)%20White%20Paper-Weight%20Management-ROI.pdf)
2. 9amHealth. (2024, January 7). Covering weight loss medications in 2024— what employers need to know. Trend Report.
3. Aronne, M. L. J. (2024). Continued treatment with tirzepatide for maintenance of weight reduction in adults with obesity: The. *JAMA*, 331(1), 38–48. <https://doi.org/10.1001/jama.2023.24945>
4. Brown, E., Wilding, J. P. H., Barber, T. M., Alam, U., & Cuthbertson, D. J. (n.d.). Weight loss variability with SGLT2 inhibitors and GLP-1 receptor agonists in type 2 diabetes mellitus and obesity: Mechanistic possibilities. *Obesity Reviews*, 20(6), 816–828. <https://doi.org/10.1111/obr.12841>
5. CDC. (2022, July 20). Obesity is a Common, Serious, and Costly Disease. Centers for Disease Control and Prevention. <https://www.cdc.gov/obesity/data/adult.html>
6. Cotter, T. G., & Rinella, M. (2020). Nonalcoholic fatty liver disease 2020: The state of the disease. *Gastroenterology*, 158(7), 1851–1864. <https://doi.org/10.1053/j.gastro.2020.01.052>
7. Ding, Y., Fan, X., Blanchette, C. M., Smolarz, B. G., Weng, W., & Ramasamy, A. (2021). Economic value of nonsurgical weight loss in adults with obesity. *Journal of Managed Care & Specialty Pharmacy*, 27(1), 37–50. <https://doi.org/10.18553/jmcp.2020.20036>
8. Obesity drugs' accelerating growth. (n.d.). Morgan Stanley. Retrieved February 2, 2024, from <https://www.morganstanley.com/ideas/obesity-drugs-investment-opportunity>
9. Parker, E. D., Lin, J., Mahoney, T., Ume, N., Yang, G., Gabbay, R. A., ElSayed, N. A., & Bannuru, R. R. (2023). Economic costs of diabetes in the U.S. in 2022. *Diabetes Care*, 47(1), 26–43. <https://doi.org/10.2337/dci23-0085>
10. Press, A. (2024, January 26). North Carolina state workers' health plan ending coverage for certain weight-loss drugs. *U.S. News & World Report*. <https://www.usnews.com/news/best-states/north-carolina/articles/2024-01-26/north-carolina-state-workers-health-plan-ending-coverage-for-certain-weight-loss-drugs>
11. Quek, J., Chan, K. E., Wong, Z. Y., Tan, C., Tan, B., Lim, W. H., Tan, D. J. H., Tang, A. S. P., Tay, P., Xiao, J., Yong, J. N., Zeng, R. W., Chew, N. W. S., Nah, B., Kulkarni, A., Siddiqui, M. S., Dan, Y. Y., Wong, V. W.-S., Sanyal, A. J., ... Ng, C. H. (2023). Global prevalence of non-alcoholic fatty liver disease and non-alcoholic steatohepatitis in the overweight and obese population: A systematic review and meta-analysis. *The Lancet Gastroenterology & Hepatology*, 8(1), 20–30. [https://doi.org/10.1016/S2468-1253\(22\)00317-X](https://doi.org/10.1016/S2468-1253(22)00317-X)
12. Sargeant, J. A., Henson, J., King, J. A., Yates, T., Khunti, K., & Davies, M. J. (2019). A review of the effects of glucagon-like peptide-1 receptor agonists and sodium-glucose cotransporter 2 inhibitors on lean body mass in humans. *Endocrinology and Metabolism (Seoul, Korea)*, 34(3), 247–262. <https://doi.org/10.3803/EnM.2019.34.3.247>
13. Ward, Z. J., Bleich, S. N., Long, M. W., & Gortmaker, S. L. (2021). Association of body mass index with health care expenditures in the United States by age and sex. *PLOS ONE*, 16(3). <https://doi.org/10.1371/journal.pone.0247307>
14. Waring, A. (2023, September 14). Advancing Health Equity. Join9am.Com. [https://join9am.com/hubfs/\(9amHealth\)%20Health%20Equity%20White%20Paper%20Sept%202023.pdf](https://join9am.com/hubfs/(9amHealth)%20Health%20Equity%20White%20Paper%20Sept%202023.pdf)
15. Wilding, J. P. H., Batterham, R. L., Calanna, S., Davies, M., Van Gaal, L. F., Lingvay, I., McGowan, B. M., Rosenstock, J., Tran, M. T. D., Wadden, T. A., Wharton, S., Yokote, K., Zeuthen, N., & Kushner, R. F. (2021). Once-Weekly semaglutide in adults with overweight or obesity. *New England Journal of Medicine*, 384(11), 989–1002. <https://doi.org/10.1056/nejmoa2032183>
16. GLP-1 Drugs 2024 Pulse Survey Report (U.S. data). (n.d.). IFEBP. [https://www.ifebp.org/resources---news/survey-reports/glp-1-drugs--2024-pulse-survey-report-\(u.s.-corporate-data\)](https://www.ifebp.org/resources---news/survey-reports/glp-1-drugs--2024-pulse-survey-report-(u.s.-corporate-data))

9am Health

[Schedule A Demo Here >](#)