GLP-1 Medications: 2025 Fact Sheet

For Plan Sponsors & Employers

What Are GLP-1s?

- Glucagon-like peptide-1 (GLP-1) agonists & GLP-1/GIP combinations are injectable (and emerging oral) drugs originally for type 2 diabetes.
- Widely adopted for obesity due to effective weight reduction (up to 20% in clinical studies).
- Act by slowing stomach emptying and reducing hunger.

Key Market Data

- U.S. GLP-1 market: $71B** spent in 2024; projected $100B+ by 2030.
- Prescriptions—Rapid Growth:
  - Diabetes: +133% (2020–2024)
  - Weight loss: +584% (2020–2024)
- Weight loss agents now account for 25% of GLP-1 spend; expected to reach parity with diabetes by 2030.

Benefits & Risks

- Weight loss: 7–21% (depending on agent)
- Health impacts: Reduce blood sugar, may aid cardiovascular and kidney outcomes.
- Risks/side effects: GI symptoms (nausea, diarrhea), muscle & bone loss, pancreatitis.
- Discontinuation: 50–75% stop therapy in obesity; most regain lost weight after stopping.
- Long-term use is common and costly.

Financial Impact

- Annual drug cost: $10,000–$11,000 per patient, often chronic use.
- Plan sponsor impact: Coverage can increase PMPM (per member per month) spend by $14–$30.
- For every 1% increase in GLP-1 use, drug spend rises ~5% ($10 PMPM).
- Limited relief from generics: First generic (Victoza) launched 2024; little cost impact for obesity, broader relief expected only by 2027–2036.

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Main Products

Drug Name	Diabetes Brand	Obesity Brand	Typical Weight Loss	Yearly Cost
Liraglutide	Victoza	Saxenda	7.4%	~$10,000
Semaglutide	Ozempic	Wegovy	14.9%	~$11,000
Tirzepatide	Mounjaro	Zepbound	20.9%	~$11,000

Key Approvals & Pipeline

- Recent FDA approvals:
  - Zepbound: sleep apnea (2024, for obese adults)
  - Ozempic: kidney disease (2025, for diabetes w/ chronic kidney disease)
- Pending & New Indications:
  - Peripheral artery disease, heart failure, MASH (metabolic liver disease, obesity-driven)
  - Alzheimer's, osteoarthritis, psychiatric & addiction use under study

Coverage & Access Trends

- Coverage remains limited:
  - Only 18% of employers (KFF 2024) cover GLP-1s for obesity; 28% among large employers.
  - 62% of GLP-1 obesity prescriptions were rejected by insurance in 2024; 53% paid cash.
- Cash programs direct to patient: Lilly Direct & NovoCare offer access at a discount ($349–$499/month).

Cost Management Strategies

- Utilization management: Prior authorization, renewals, linkage to disease management programs.
- Coverage restrictions: Higher BMI requirements, limited provider networks, carve-outs/unbundling to control spend.
- Wait-and-see approach: Recommended for obesity until longer-term outcome and cost data mature.

Action Points for Plan Sponsors

- **Review existing coverage for GLP-1 drugs (diabetes, obesity, sleep apnea, kidney disease).**
- **Assess impact of new indications and products regularly.**
- **Track PMPM drug spend and utilization trends.**
- **Ensure strong prior authorization and management policies.**
- **Evaluate PBM strategy and consider alternative payment or carve-out models.**