

MEDIIMPACT WHITE PAPER
FOR SELF-INSURED EMPLOYERS

THE GLP-1 TRANSFORMATION IN HEALTHCARE



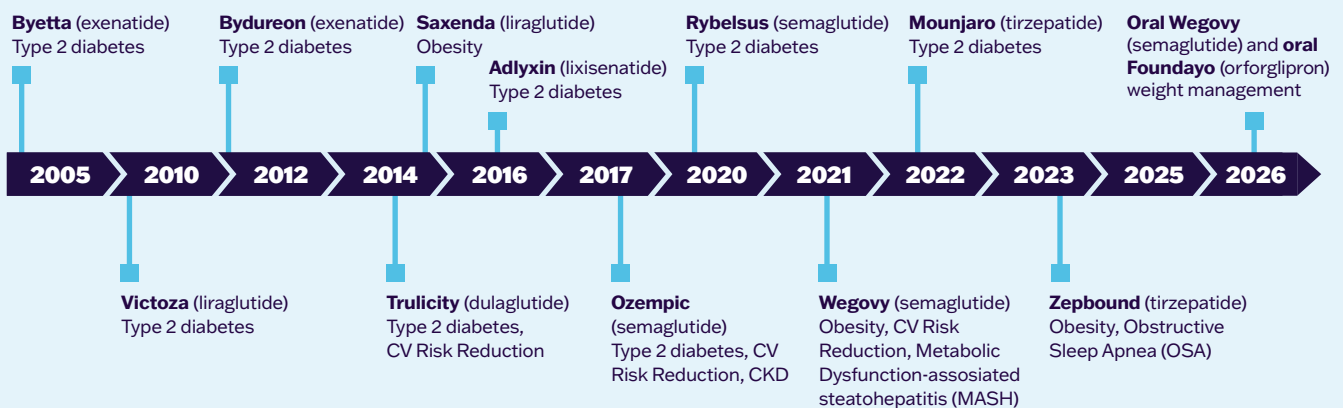
Mediimpact



FROM TARGETED DIABETIC TREATMENT TO GLOBAL WEIGHT LOSS PHENOMENON

Glucagon-like peptide-1 receptor agonists (GLP-1 RAs) have fundamentally transformed the healthcare landscape. What began two decades ago as a novel diabetes therapy has evolved into a category of medications reshaping how the medical field approaches obesity, cardiovascular disease, and a growing list of conditions. For employers sponsoring health benefits, this evolution represents both a significant clinical opportunity and a daunting management challenge.

Since the first GLP-1 medication was approved for diabetes in 2005, the FDA has steadily expanded approved indications as clinical evidence demonstrated benefits beyond blood sugar control:





THE NEXT GENERATION OF GLP-1 THERAPIES

Today, researchers are investigating GLP-1s for an even wider range of conditions including Alzheimer's disease and addiction — suggesting the therapeutic applications may extend far beyond what's currently approved.

At the same time, ongoing GLP-1 development continues to enhance both efficacy and ease of use. In January 2026, the FDA approved the first oral form of Wegovy for weight loss—a major shift from injection-only options. This development decreases patient resistance to this medication class and supports better long-term adherence.

A PERMANENT SHIFT IN THE HEALTHCARE LANDSCAPE

Medical guidelines are evolving rapidly. The American Diabetes Association (ADA) now recommends GLP-1 medications ahead of insulin for many people with type 2 diabetes — a major shift from decades of standard practice.¹ Even more significant: In December 2024, the World Health Organization classified obesity as a chronic disease requiring long-term treatment, signaling that therapies like GLP-1s should be managed as ongoing care.²

For employer health plans, the takeaway is clear: GLP-1 medications are not a passing trend. As indications expand, oral forms enter the market, and clinical guidelines increasingly recommend these drugs as first-line therapy, demand will continue to grow. The challenge is no longer whether GLP-1s will affect your plan, but how to manage access, affordability, and cost in a sustainable way—while capturing the long-term savings these medications can deliver when used appropriately.

MANAGING UNPRECEDENTED GROWTH AND DEMAND

The rapid adoption of GLP-1 medications has created cost pressures unlike anything HR and benefits teams have seen in recent years. The challenge isn't just the high price of these drugs, it's the huge number of employees who may be eligible, how fast spend is growing, and the uncertainty about future costs as new uses and oral forms continue to emerge.

There are two major challenges facing benefits teams today:

CHALLENGE #1: MORE EMPLOYEES ARE ELIGIBLE THAN EVER BEFORE

The most fundamental challenge facing employers is the size of the population potentially eligible for GLP-1 therapy. Unlike specialty medications that treat rare conditions affecting a small number of employees, GLP-1 medications treat common health issues affecting a substantial proportion of the U.S. population.

Right now, about 58 million people with commercial insurance are eligible for GLP-1 therapies based on current FDA approvals.³ As treatment guidelines evolve and new uses get approved, this number will keep growing. The new oral options will likely bring in even more people who previously avoided injections.

CHALLENGE #2: SPENDING IS GROWING FASTER THAN ANY OTHER DRUG CATEGORY

The financial impact has been dramatic. According to Willis Towers Watson, commercial plans saw a more than 500% increase in per-member-per-month (PMPM) spending on GLP-1 medications from 2022 to Q1 2025—even after manufacturer discounts.⁴ This far exceeds typical drug spending trends, which usually grow in the single-digit percentages each year.

58 million people with commercial insurance are eligible for GLP-1 therapies

Why This Matters

This level of eligibility is unprecedented. Even blockbuster drugs like statins took years to reach this scale, giving employers time to absorb costs gradually. GLP-1 medications hit mass-market scale in less than five years.

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The Bigger Picture

Current spending likely represents just the early phase. Only about 5–10% of eligible employees are currently using GLP-1 therapy, meaning there's substantial room for growth as awareness increases and oral options become available.



HIGH DRUG COSTS REMAIN THE TOP EMPLOYER CONCERN

The surge in GLP-1 spending is occurring against a broader backdrop of employer concern about rising pharmaceutical costs. A Q1 2025 study by market research firm The Noise Doctors found that nearly 60% of employers cite high drug costs as their top challenge in managing pharmacy benefits—the highest-ranked issue across benefit management priorities.⁵

Within that context, roughly one-quarter of employers report specific concern about GLP-1 medications, identifying them as a distinct cost driver that requires targeted management strategies.⁵ That concern is well founded. For many mid-size and large employers, GLP-1 therapies have rapidly become one of the top three to five highest-spend medication categories, rivaling long-established cost drivers such as oncology, immunosuppressants, and autoimmune therapies.

When asked how pharmacy benefit managers could best help address GLP-1 challenges, approximately 25% of employers pointed directly to cost control as their primary need.⁵ This response highlights a clear tension: while employers increasingly recognize the clinical value of GLP-1 therapies, financial sustainability remains the dominant factor shaping benefit design decisions.

GLP-1 therapies have rapidly become one of the highest cost drivers, rivaling oncology and autoimmune therapies

THE OPPORTUNITY

SMART COVERAGE DESIGN THAT TURNS RISING COSTS INTO LONG-TERM VALUE

At first glance, expanding GLP-1 indications seem to worsen costs—more eligible employees means higher pharmacy spend. But this view misses a critical point: **GLP-1s are being approved for the very conditions that drive the highest medical costs in employer health plans.**

New indications target heart disease, obesity-related complications, and MASH, conditions responsible for billions in annual costs through hospitalizations, procedures, and long-term care. These aren't edge cases; they're the largest, most persistent drivers of ER visits, inpatient stays, and

specialist care—and, in several of these indications, GLP-1 therapies are emerging as lower-cost alternatives to existing treatments, offering the dual benefit of clinical efficacy and cost reduction.

The real risk isn't expanded indications—it's unmanaged utilization. Employers that approach GLP-1 coverage strategically, focusing on appropriate patient selection, sustained adherence, and measurable outcomes, can improve health results while controlling total cost of care.



MEDIMPACT'S COMPREHENSIVE GLP-1 STRATEGY

The question is no longer whether to cover GLP-1s, but how to cover them in a way that balances access, affordability, and long-term sustainability. The stakes are high: unmanaged utilization drives unsustainable costs, while overly restrictive policies create member dissatisfaction and missed opportunities for downstream medical savings.

MedImpact shifts from reactive cost control to proactive partnership. Instead of restricting access or creating administrative hurdles, we partner with employers to design GLP-1 coverage that controls costs while supporting member health.

Our comprehensive strategy rests on four integrated pillars:

Cost Predictability

Eliminating pricing volatility through risk-sharing models and innovative fulfillment options that make coverage sustainable for employers and affordable for members.

Responsible Utilization Management

Ensuring therapy reaches appropriate members most likely to benefit through automated clinical verification and fraud prevention, without the administrative burden of traditional prior authorization.

Integrated Member Support

Pairing medication with nutritional counseling, lifestyle modification, and behavioral support to maximize outcomes and create pathways for members to transition off therapy when appropriate.

Data Intelligence

Leveraging real-time analytics to monitor utilization patterns, identify opportunities for intervention, and demonstrate return on investment.

Together, these pillars help employers control costs while maintaining appropriate access—turning a challenge into an opportunity that improves member health and delivers long-term value.

COST PREDICTABILITY

High and unpredictable pricing are among the biggest risks employers face with GLP-1 coverage. Costs can shift based on formulary changes, rebate negotiations, and market competition, among other factors. MedImpact's models reduce this volatility and enable predictable budgeting.

GLP-1 Benefit 360

MedImpact's GLP-1 Benefit 360 addresses pricing uncertainty through a risk-sharing model that guarantees a fixed net price for select GLP-1 therapies for the life of the contract.

Key Features

- **Automated approval process that leverages technology to confirm appropriate diagnosis for use** streamlines barriers and enables faster therapy initiation
- **Integrated lifestyle support:** Because more than half of patients discontinue GLP-1 therapy within three months, every member has the option to receive coaching and access to the MedEmpower Fuel app at no additional cost to the plan or member to support sustainable, long-term outcomes
- **Integrated manufacturer assistance** allows members to offset higher out-of-pocket costs within the pharmacy benefit—costs that count toward deductibles and benefit limits
- **Physician-driven coverage** ensures primary care providers remain engaged in patient care
- **Fixed and predictable costs** give employers confidence in offering sustainable coverage while maintaining the lowest net cost

How it's Different

This approach reflects a fundamental shift in the PBM-employer relationship. Rather than simply passing through costs and market risk, MedImpact assumes a portion of that risk in exchange for implementing comprehensive management strategies that optimize utilization and outcomes. The result is a partnership model where both parties share the goal of sustainable, appropriate GLP-1 use.



GLP-1 Direct Fund

For employers seeking greater flexibility in defining coverage terms, such as BMI thresholds or integration with lifestyle modification programs, MedImpact provides access to direct-to-consumer fulfillment channels (such as Lilly Direct and NovoCare) with full administrative oversight.

Key Features

- **Predictable employer costs** capped at current DTC pricing levels which are substantially lower than traditional pharmacy costs
- **Employer-chosen eligibility** from a menu of pre-set criteria and member cost-sharing structures
- **MedImpact administration** preserving oversight, data visibility, and alignment with your benefit strategy

Members benefit from predictable out-of-pocket costs that reduce “sticker shock” and improve therapy initiation and adherence.

Why This Matters

Sustainable GLP-1 strategies require a dual focus: affordability for employers and affordability for members. Both are essential to realizing the clinical and economic benefits of these therapies.

- **For employers to provide access, costs must be predictable.** The pricing models above eliminate volatility, enabling confident budget planning and sustainable coverage decisions.
- **For employees to adhere, therapy must be affordable.** High out-of-pocket costs drive discontinuation of treatment research shows lower costs improve adherence.
- **Adherence drives outcomes for both members and employers.** Early discontinuation due to cost eliminates both health improvements and employer ROI. Conversely, sustained therapy delivers cardiovascular risk reduction, weight loss, and downstream medical savings. **MedImpact creates a virtuous cycle where predictable costs enable access, affordability drives persistence, and persistence delivers the clinical and financial outcomes that justify coverage.**



RESPONSIBLE UTILIZATION MANAGEMENT

Cost control alone isn't enough. Affordable, predictable coverage must be paired with smart utilization management that directs therapy to members most likely to benefit. The goal is to prescribe therapy based on evidence, not create barriers that delay access.

Clinical Appropriateness Controls

MedImpact's Enhanced Approval Edit Tool automates clinical verification in real time at the point of prescription, enabling streamlined prior authorization that approves appropriate prescriptions instantly while maintaining clinical rigor.

The Tool Delivers Two Critical Capabilities

- **Automated diagnosis verification:** Bypasses traditional prior authorization when criteria are met
- **Indication-specific eligibility rules:** Tailored to each FDA-approved use

The tool verifies diagnosis using multiple data points, applying specific criteria for each use—whether obesity, heart health, or liver disease. This helps employers direct coverage toward appropriate members most likely to achieve meaningful health outcomes and cost savings.

Why This Matters

For providers and members, appropriate prescriptions are approved instantly at the pharmacy—no phone calls, faxes, or waiting. For employers, this means appropriate use without the administrative costs and member frustration of traditional prior authorization.

Fraud and Waste Prevention

Smart utilization management goes beyond appropriate prescribing. It also identifies usage patterns that deliver limited value or suggest misuse. MedImpact's safeguards protect plan integrity while minimizing administrative work.

- **Concurrent therapy edits** prevent members from filling multiple GLP-1 medications simultaneously or combining them with similar diabetes drugs at the point of sale. These real-time edits identify duplicate therapy or potential diversion without requiring provider intervention.
- **Comprehensive adherence monitoring** tracks prescription fill patterns to identify both underutilization and potential waste. The program monitors for sporadic use or therapy abandonment while also preventing early refills and stockpiling through dynamic refill controls.

Why This Matters

This approach balances cost control with member care, supporting appropriate therapy while identifying low-value coverage. Edits and monitoring reduce the need for retrospective audits and appeals that consume HR resources.

OPTIMIZING OUTCOMES BEYOND THE PRESCRIPTION

GLP-1 medications work best when combined with nutrition counseling, lifestyle changes, and behavioral support—yet most members only get a prescription. MedImpact’s clinical support model closes this gap, helping members achieve lasting results and transition off medication when appropriate, turning temporary pharmacy costs into permanent health gains.

MedEmpower Fuel™ — An Integrated Digital Health Platform

At the center of MedImpact’s clinical support strategy is the MedEmpower Fuel app, a personalized health and wellness platform available at no cost to MedImpact members. The app helps individuals take sustainable steps toward better health alongside, or independent of, medication therapy.

Key features include AI-powered meal tracking, personalized nutrition guidance, integrated medication profiles, and custom tracking for activity, hydration, sleep, and health metrics. For members needing more intensive support, MedImpact offers one-on-one dietitian coaching integrated with the app.

Condition-Specific Programs

Building on the digital foundation, MedEmpower Fuel also delivers targeted programs including GLP-1 Healthy Weight support, CDC-recognized Diabetes Prevention, and ADA-registered Diabetes Management. MedImpact believes so strongly in the value of the Healthy Weight Program that it’s provided at no charge for GLP-1 Benefit 360 members—we’re investing in high-touch education and 1:1 coaching to support their long-term health and success.

Proven Results

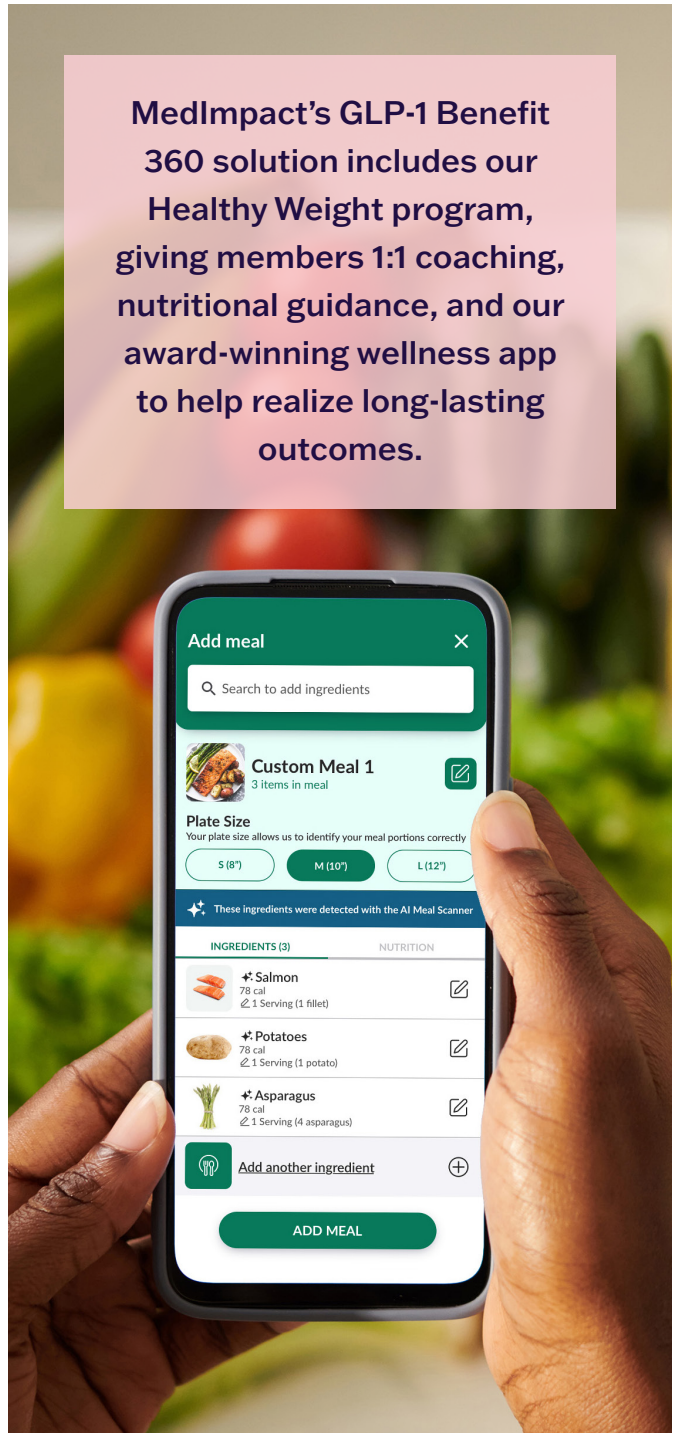
Member engagement is strong: 60–69% actively use the platform, with 88% recommending it to others. Clinical outcomes show meaningful impact:

- 80% achieved weight loss or maintained weight
- Average weight loss of 5.3% from baseline (approximately 10.6 pounds)
- Among members tracking A1c, 54% saw improvement within six months (average decrease of 0.7 percentage points)

Why This Matters

Members who engage with nutritional and behavioral support alongside GLP-1 therapy are more likely to achieve sustained weight loss, reduce health risks, and potentially transition off medication, outcomes that benefit both member health and employer budgets. MedImpact’s approach recognizes that effective GLP-1 management means delivering comprehensive care that maximizes member outcomes, not simply controlling drug costs.

MedImpact’s GLP-1 Benefit 360 solution includes our Healthy Weight program, giving members 1:1 coaching, nutritional guidance, and our award-winning wellness app to help realize long-lasting outcomes.





DATA INTELLIGENCE

CONTINUOUS MONITORING AND OPTIMIZATION

Effective GLP-1 management requires more than upfront coverage decisions. Employers need ongoing visibility into utilization, cost trends, and outcomes to manage risk as the GLP-1 landscape evolves. MedImpact's data intelligence capabilities enable proactive decision-making and continuous refinement of GLP-1 strategies over time.

Ongoing Reporting and Performance Monitoring

MedImpact provides quarterly client-specific reporting that tracks key indicators critical to GLP-1 management, including:

- **Utilization trends:** Showing adoption rates, growth patterns, and which indications are driving use
- **Adherence and persistence metrics:** Identifying how long members remain on therapy and where discontinuation risk emerges
- **Clinical outcome indicators** tracked through the Healthy Weight Program, including weight loss, A1c improvement, and cardiovascular risk markers where available

These insights allow employers to detect emerging risks early, such as rapid uptake in certain populations or declining persistence, and take action before costs escalate.

Predictive Analytics and Forecasting

Beyond reporting, MedImpact applies predictive modeling to help employers anticipate future GLP-1 spending. By incorporating utilization trends, member demographics, evolving clinical guidelines, and pending FDA approvals, MedImpact delivers scenario-based projections that support informed budgeting and benefit design decisions

Why This Matters

This combination of continuous monitoring and forward-looking analytics allows employers to move beyond static benefit designs. Instead, GLP-1 strategies can adapt in real time as utilization patterns, clinical evidence, and market dynamics change—transforming GLP-1 coverage into a managed, sustainable component of the overall benefits strategy.



A TRUE PARTNERSHIP MODEL

MedImpact's comprehensive GLP-1 strategy shifts the PBM-employer relationship from transactional vendor to strategic partner. We share risk, provide clinical expertise, support member outcomes, and deliver the data intelligence necessary for informed decision-making.

Our integrated approach, combining **cost predictability, responsible utilization management, member support, and data intelligence**, gives employers the flexibility to design GLP-1 coverage that aligns with their priorities, whether that's budget certainty, member satisfaction, clinical outcomes, or all three.

The Results Speak for Themselves

MedImpact's multipronged strategy achieved a GLP-1 growth rate 10% below the national trend, yielding more than \$100 million in 2025 savings while maintaining broad access and affordability.

The question is no longer whether to cover GLP-1 therapies, but how to cover them in a way that delivers value.

MedImpact's approach translates clinical evidence into practical coverage strategies, manages financial risks, and ensures these transformative therapies reach the members who will benefit most while creating pathways for sustainable, long-term health outcomes.

MedImpact's multipronged strategy achieved a GLP-1 growth rate 10% below the national trend, yielding more than \$100 million in 2025 savings

References

¹ American Diabetes Association. Standards of Care in Diabetes-2024. Diabetes Care. 2024;47(Suppl 1).

² World Health Organization. WHO Guidelines on the Pharmacological Treatment of Obesity in Adults. December 2024.

³ PHTI paper

⁴ Willis Towers Watson. 2025 Best Practices in Health Care Employer Survey. April 2025.

⁵ The Noise Doctors. Employer Pharmaceutical Benefits Survey. Q1 2025.

ABOUT MEDIMPACT

MedImpact Healthcare Systems, Inc.

MedImpact is the nation's largest independent health solutions, technology, and pharmacy benefit management provider. For 35 years, MedImpact has helped commercial and government healthcare payers improve member health, manage benefits, and reduce drug costs. Today, MedImpact serves more than 20 million members and processes more than \$40 billion in pharmacy transactions annually.



**To learn more about MedImpact's
GLP-1 strategy and solutions, visit
our website.**

[medimpact.com](https://www.medimpact.com)