



SCHOOL OF PUBLIC HEALTH

CENTER FOR VALUE-BASED INSURANCE DESIGN
UNIVERSITY OF MICHIGAN

Expanding Equitable and Efficient Access to Obesity Management

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Expanding Equitable and Efficient Access to Obesity Management

- The extraordinary demand for breakthrough anti-obesity medications, coupled with their current high acquisition cost present significant challenges to ensuring equitable access.
- Consequently, how best to efficiently allocate these drugs has become a top priority among public and private payers and is being deliberated at the employer, health plan, state, and federal levels.

Goal: Achieve the most weight loss and associated clinical benefits (e.g., reductions in diabetes, cardiovascular disease, sleep apnea, cancer, etc.) - given a certain level of spending.

Expanding Equitable and Efficient Access to Obesity Management

Not ‘One Size Fits All’

Essential elements:

- Clinical: Understand the full range of available treatment options, that can be tailored to an individual patient's preferences to optimize weight-loss
- Economic: Preferential use of lower cost/shorter duration options when clinically appropriate

Expanding Equitable and Efficient Access to Anti-obesity Medications

Incretin Memetics - Pros

- Substantial weight loss
- Clinically meaningful secondary benefits for several obesity-related conditions (and potentially others)
- Beneficiary demand / satisfaction

Incretin Memetics – Cons

- Side effects, including nausea, vomiting, diarrhea,
- Adverse event associated with continued use, such as loss of skeletal muscle mass among older adults and incidence of pancreatitis
- Lack of long-term safety data
- Cost

The New York Times

How Much Should Weight Loss Drugs Cost?



- ▶ **Federal Budgetary Cost.** Authorizing coverage of AOMs in Medicare would increase federal spending, on net, by about \$35 billion from 2026 to 2034.

Understanding Insurance Coverage Policies for Incretin Mimetics for Weight Management

Dina H. Griauszde, MD, MSc, DABOM; Eli W. Carter, MPH; Lauren Oshman, MD, MPH, DABOM; Jonathan Gabison, MD, DABOM; Andrew Kraftson, MD; A. Mark Fendrick, MD; and Stephen Lott, PharmD, MS

“The high cost of incretin mimetics for weight management limits insurance coverage and potentiates variation in utilization management strategies to control near-term spending.”

Expanding Equitable and Efficient Access to Anti-obesity Medications

Coverage policies for IMWMs are largely unpredictable and highly variable

- Advocating for generous access, some contend that IMWMs should be classified as a preventive benefit and be covered without consumer cost-sharing
- At the other extreme of the spectrum are many payers – including Medicare – that have yet to approve IMWMs coverage
- In between are those payers that do cover IMWMs, but typically:
 - impose a mounting list of prerequisites to initiate or continue therapy
 - require high levels of consumer cost-sharing and/or impose coverage limits based on total spending or duration of use (very few are clinically driven)
 - change policies frequently

NOVEMBER 26, 2024

FACT SHEET: Biden-Harris Administration Takes Latest Step to Lower Prescription Drug Costs by Proposing Expanded Coverage of Anti- Obesity Medications for Americans with Medicare and Medicaid

Coverage of Obesity Medications Can Make America Healthier (Again)



By **A. Mark Fendrick & Kirsten Axelsen**

December 20, 2024

Affordable coverage for obesity medicines is possible with anticipated price reductions resulting from market competition, lower cost strategies to prevent weight regain, and reductions in spending on unnecessary, often harmful, care.

Clinically Driven Payment And Benefit Design To Improve Health Equity: The Case Of Obesity Prevention And Treatment

[David D. Kim](#), [Dina H. Griauzde](#), [Caroline R. Richardson](#), [A. Mark Fendrick](#)

SEPTEMBER 9, 2021

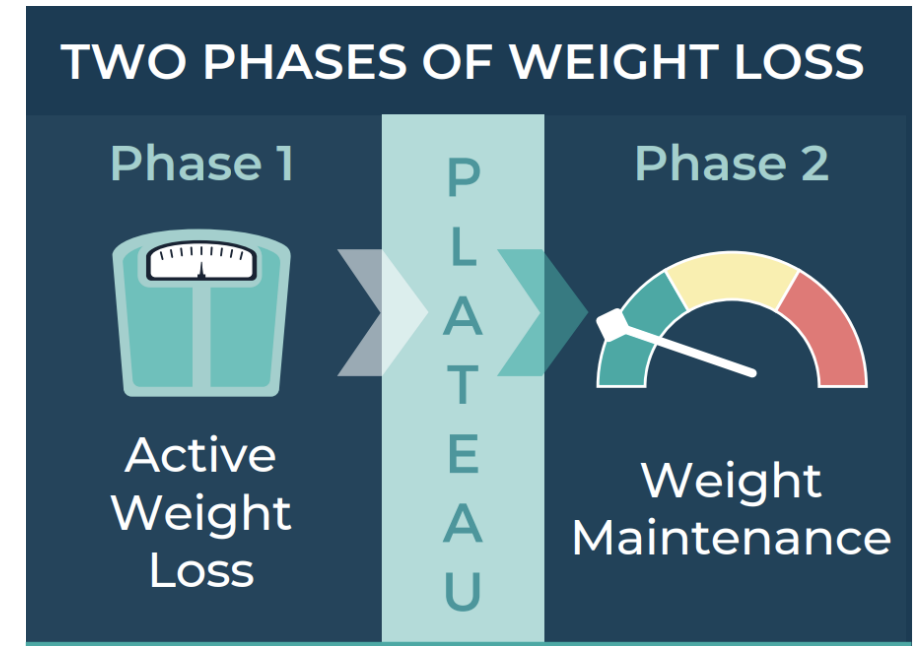
10.1377/forefront.20210902.136368

- *While attention is focused on budget impact, the unmet need warrants a clinically-driven, patient-centered allocation approach.*
- Access barriers (e.g., prior authorization, step therapy, spending/duration limits, and prior use criteria) are driven by economic - not clinical - outcomes
- A coverage strategy that aims to optimize population health by maximizing benefits for the money spent is warranted

An Efficient Approach to Expand Equitable Access to Antiobesity Medications: Deprescribing After Weight Loss Plateau

David D. Kim, PhD; and A. Mark Fendrick, MD

- ▶ To date, most of the clinical research and media attention on AOMs has focused on the amount of weight loss (i.e., active weight loss phase).
- ▶ Less consideration has been paid to the role of interventions to sustain the weight loss (ie, weight maintenance phase)
- ▶ The distinction between these 2 phases of is essential, as the differences in effectiveness and incremental expense attributable for each phase can be substantially different



Expanding Equitable and Efficient Access to Anti-obesity Medications

- Novel incretin mimetics have demonstrated to produce **significantly more weight loss** compared with available nonsurgical medical and behavioral interventions.
- Given this robust effectiveness advantage, the greatest relative clinical and financial benefit is produced with active weight loss.
- Still, there is a dearth of evidence comparing the relative clinical and cost-effectiveness of continued full-dose AOM therapy with that of a lower-cost alternative approach to maintain weight loss beginning **once a weight loss plateau has been achieved**.

Can an alternative weight maintenance program reallocate obesity management resources to produce better clinical and economic outcomes?

- If a less-expensive maintenance program produces comparable results in sustaining weight loss, it would make sense from an efficiency standpoint to **devote more AOMs – where superiority has been established - to active weight loss instead of maintenance of weight loss**, where clinical superiority of full-dose AOM compared with alternatives has yet to be established.

ELEMENTS OF AN ALTERNATIVE WEIGHT MAINTENANCE PROGRAM

- Decrease GLP-1 dose or different medication
- Behavioral therapy
- Nutrition support
- No / lower consumer cost-sharing

Unknown effectiveness in maintaining weight

Balancing innovation and affordability in anti-obesity medications: the role of an alternative weight-maintenance program

David D. Kim^{1,*}, Jennifer H. Hwang², A. Mark Fendrick³ 

- ▶ Compared with continuous full-dose IMWM, an alternative weight maintenance program could **result in a significant reduction in obesity-related treatment spending and produce minimal reductions in clinical benefits** over a wide range of cost and effectiveness estimates.
- ▶ When the alternative maintenance program was **half the price of continuous full-dose AOM and 30% as effective** (i.e., patients regain 70% of weight and lose 70% of the long-term clinical benefit) **an estimated net savings of \$35,100 per patient was achieved.**
- ▶ If these savings were redistributed to patients for active weight loss, **6 additional individuals could receive full-dose IM therapy for 1 year.**

Will patients agree to an alternative weight maintenance program?

In a survey of 582 self-reported obese individuals, 83% of respondents supported the use of a lower-cost weight maintenance strategy that de-intensified/ discontinued newer IMWMs.

Patient reluctance to switching may be overcome by highlighting the potential advantages of a personalized alternative program:

- (1) reduction in side effects and potential unknown long-term adverse events;
- (2) lower out-of-pocket costs;
- (3) inclusion of supplemental services, such as behavioral/nutritional support
- (4) the option to restart the IMWM when needed.

Trump Rejects Biden Plan to Expand Medicare Coverage for Obesity Drugs

Administration officials reversed a decision made during the Biden presidency that would have given millions of people access to weight-loss drugs paid for Medicare and Medicaid.

Expanding Equitable and Efficient Access to Obesity Management

- The advent of highly effective IMWMs offers an unprecedented opportunity to address the global obesity epidemic.
- High levels of unmet need and unsustainable budget impact present a major challenge in how to balance access and affordability.
- A clinically-driven approach that includes a full range of weight-loss treatments and the use of shorter duration/lower cost alternatives would enable substantially greater access to preferred management options—particularly those disadvantaged populations that are disproportionately affected by obesity and its sequelae, who are most likely to benefit from their use.

Thank you

Questions?

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