



SCHOOL OF PUBLIC HEALTH
UNIVERSITY OF MICHIGAN

CENTER FOR VALUE-BASED INSURANCE DESIGN

Balancing Innovation, Access & Affordability in Anti-Obesity Medicines

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Value-Based Insurance Design**

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**I PUBLISHED
BUT STILL PERISHED**

Health Care Costs Are a Top Issue For Purchasers and Policymakers: Solutions must protect consumers, reward providers and preserve innovation

- **Innovations to prevent and treat disease have led to impressive reductions in morbidity and mortality**
- **Irrespective of remarkable clinical advances, cutting health care spending is the primary focus of reform discussions**
- **Underutilization of high-value care persists across the entire spectrum of clinical care leading to poor health outcomes**
- **Everyone (almost) agrees there is enough money in the US health care system; we just spend it on the wrong services and in the wrong places**

We need to spend more on the ‘good stuff’ and less on the ‘bad stuff’

Balancing Innovation, Access & Affordability in Anti-Obesity Medicines

- **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.

Balancing Innovation, Access & Affordability Anti-Obesity Medicines

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**

Balancing Innovation, Access & Affordability in Anti-Obesity Medicines

Incretin Memetics - Pros

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

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**

Balancing Innovation, Access & Affordability in Anti-Obesity Medicines

The Washington Post
Democracy Dies in Darkness

13 surprising ways GLP-1s may benefit the body, according to science

From FDA-approved uses to emerging research, we break down what's proven, promising and still theoretical.

March 27, 2026

The proven, promising and theoretical

Here is a summary of various conditions that improved with GLP-1 drugs, categorized by the level of evidence.

●●● STRONG EVIDENCE

Supported by large-scale clinical trials in humans, with at least one GLP-1 drug having received FDA approval for this disease area.

- Heart disease
- Liver disease
- Kidney disease
- Sleep apnea

●●○ SOME EVIDENCE

Backed by multiple midsize clinical trials showing benefit, or by a body of research with mixed or inconsistent results.

- Alzheimer's and dementia
- Arthritis and inflammation
- Addiction (Alcohol, nicotine and opioid cravings)

●○○ THEORETICAL EVIDENCE

Based primarily on preclinical studies (lab or animal research), observational analyses of large datasets, or very small early-stage human trials.

- Asthma
- Cancers
- Covid-19
- Fertility
- 'Food noise'
- Polycystic ovary syndrome (PCOS)

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. Griauzde, 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

Weight-Loss Drugs Under Consideration At USPSTF

By [Luke Zarzecki](#) / April 7, 2025 at 6:33 PM

- The Preventive Services Provision of the ACA requires that services receiving an A or B rating from the United States Preventive Services Taskforce (USPSTF) be provided without consumer cost-sharing

Expanding Equitable and Efficient Access to Anti-obesity Medications

Coverage policies for IMWMs are largely unpredictable and highly variable

- **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**

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.

Fact Sheet: President Donald J. Trump Announces Major Developments in Bringing Most-Favored-Nation Pricing to American Patients

The White House | November 6, 2025



CMS BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth) Model

Through the BALANCE Model, CMS plans to:

- **Work with voluntary GLP-1 manufacturers to establish pricing and access terms**
- **Create a standardized pathway for participating Medicaid programs and Medicare plans to cover these medications**
- **Pair medication access with lifestyle and nutrition supports grounded in current scientific evidence**
- **Evaluate how the model affects access to care, health outcomes, costs and people's experiences**

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

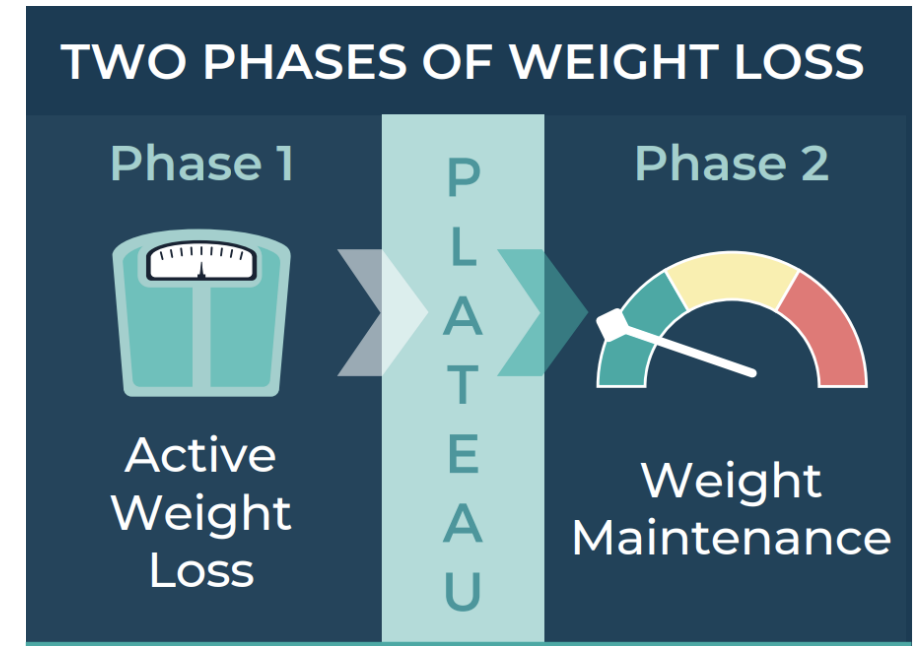
10.1377/forefront.20210902.136368

- ***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 (i.e., 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

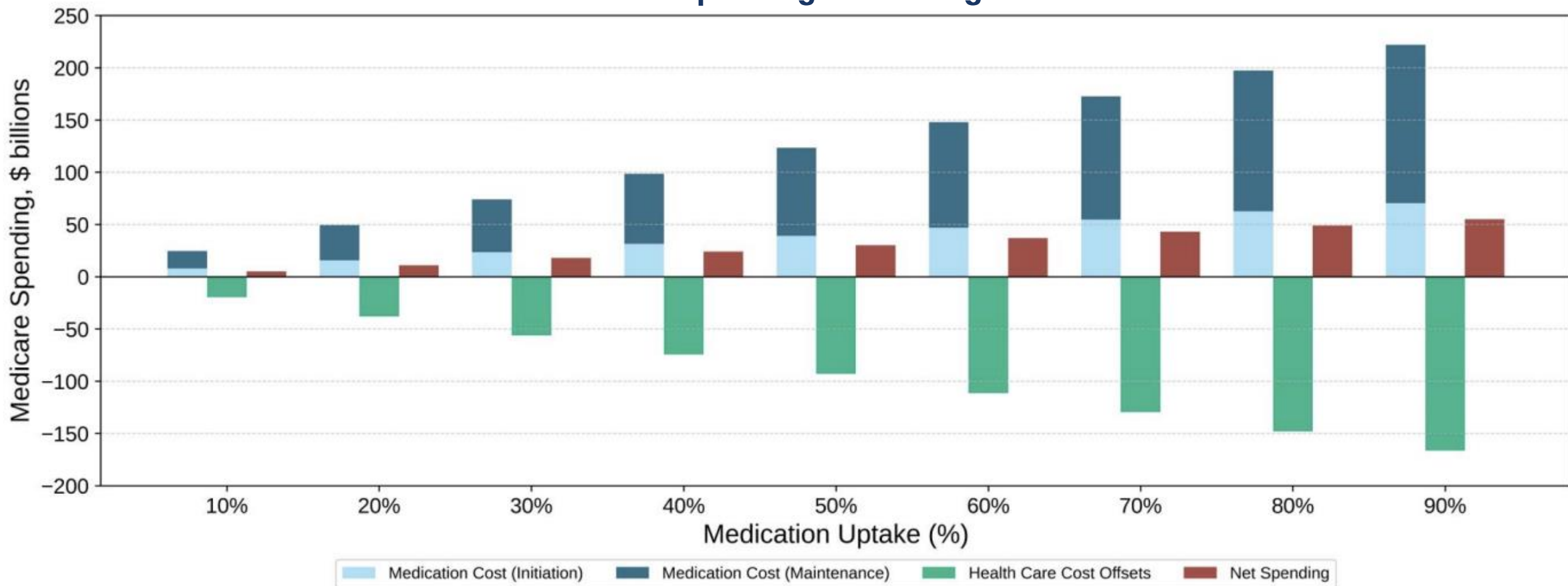


Expanding Equitable and Efficient Access to Anti-obesity Medications

- **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.**

Ten-Year (2026-2035) Fiscal Impact of Medicare Coverage of GLP-1 RAs for Obesity Using Most Favored Nation Price (\$245/month)

Most of GLP-1RA spending is for weight maintenance



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

Industry Acknowledges 2 Distinct Phases of Weight Loss

ATTAIN-MAINTAIN Trial: Oral Orforglipron Sustains Weight Loss After Switching from Injectable Incretins

Lilly's orforglipron helped people maintain weight loss after switching from injectable incretins to oral GLP-1 therapy in first-of-its-kind Phase 3 trial

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.**

Balancing Innovation & Affordability Anti-Obesity Medicines

- **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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