

The State of Delaware

GLP-1 Drug and Bariatric Surgery Utilization

SEBC Meeting

January 29, 2024

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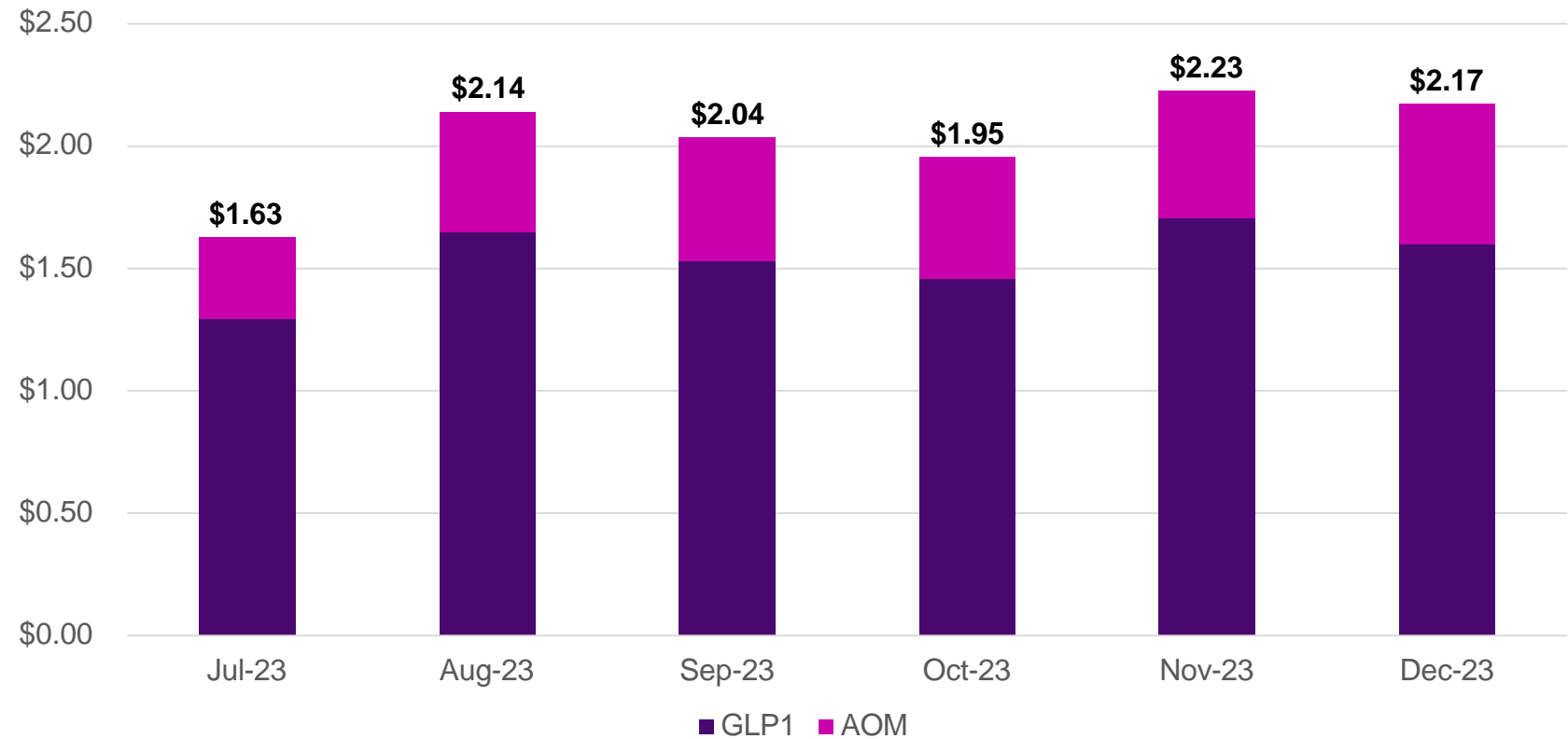
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GLP-1 usage and costs are increasing, contributing to healthcare trend

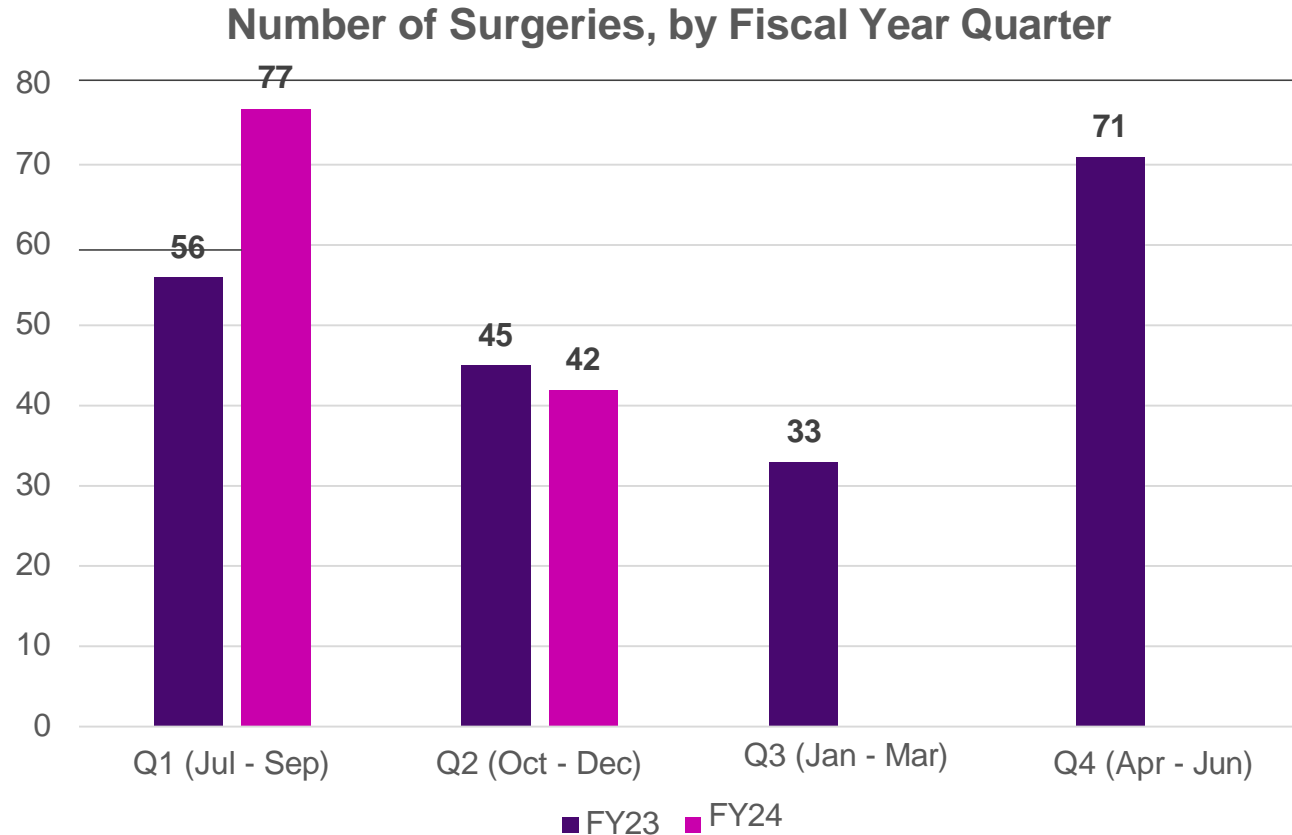


- State of Delaware's plan spend on GLP-1 and anti-obesity medications for the first 6 months of FY24 drugs is about \$15M
- Average cost of GLP-1 and anti-obesity medications over the first 6 months of FY24 was \$2.5M per month
- Increase driven by new utilization; monthly scripts increased from 1,563 in July 2023 to 2,003 in December 2023

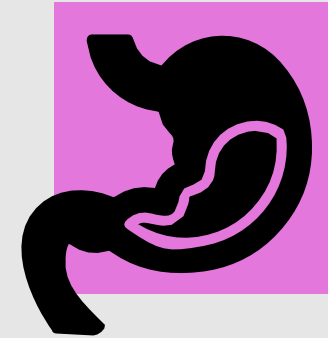
GLP-1 and Anti-Obesity Medications, Cost by Month (\$PMPM)



Bariatric surgery utilization has increased since carving out coverage to SurgeryPlus



Graph reflects data on an incurred basis during the time periods specified. Source: Highmark, Aetna, SurgeryPlus.



- Prior to carving out coverage of bariatric surgery to SurgeryPlus, the State of Delaware had 101 bariatric surgery claims from July 2022 – December 2022 across Highmark, Aetna and SurgeryPlus combined. Following carving out bariatric surgery to SurgeryPlus (effective July 1, 2023), the number of surgeries increased by 18%, to 119 surgeries over the same period in 2023.
- WTW is in the process of validating the expected savings from carving out coverage to SurgeryPlus, with results expected by late March 2024.

Range of employer options to address GLP-1 medications

Do not cover weight loss drugs	Restrict GLP-1 coverage	Cover only when prescribed by limited network	Cover with standard UM criteria
<ul style="list-style-type: none">• Only cover GLP-1s for diabetes diagnoses• Some patients without diabetes will receive “off-label” prescriptions for diabetes GLP-1 medications• Utilization management criteria such as prior authorization or step edits can limit off-label use.	<ul style="list-style-type: none">• Examples include the following:<ul style="list-style-type: none">– Higher BMI thresholds– Coverage or treatment/cycle limits (i.e. dollar limit, lifetime maximum)– Step therapy with behavioral modification programs before drug or concurrently with drug use	<ul style="list-style-type: none">• Telemedicine vendors are offering dedicated networks which promise to be prudent in GLP-1 use• This would make community physicians ineligible to prescribe these drugs for obesity	<ul style="list-style-type: none">• The prior authorization process still largely uses physician attestation and does not include documentation of clinical information (i.e. from a patient chart)
Likely to lead to lower costs but more member complaints and potential recruitment/retention issues.	Could lead to lower rebates if coverage criteria doesn't mirror FDA approval.	Could lead to trouble with care coordination. Uncertain whether this will reduce total cost of care.	Likely to lead to higher costs and less member friction. Could improve recruitment and retention or cause adverse selection in employees, depending on benefit design.



GLP-1 Weight Loss Drugs

Cost and Utilization Solutions from Other States



Connecticut

- In 2020, Connecticut began noticing significant cost growth in GLP-1 drugs approved for Type 2 Diabetes; a 50% yearly growth in new prescriptions.
- To better manage the increase in utilization and subsequent cost of these drugs, Connecticut implemented the Flyte program on July 1, 2023.
- Medications prescribed for weight loss or weight management will only be covered if they are prescribed by a Flyte physician. Flyte is a medical weight loss program offered to eligible State health plan members and their enrolled family members.

Connecticut (Continued)

- To qualify for this program, eligible state plan employees and their adult dependents must have a BMI of 30 or higher, or, have a BMI of 27 or higher and a documented weight-related health condition, such as diabetes, sleep apnea, cardiovascular disease, or liver disease.
- Connecticut pays approximately \$110 a month for each participant in the program, and based on the current number of patients participating, the annual cost would be roughly \$2 million.
- This program has been showing early success, though a more detailed evaluation will take place in the next few months.

Tennessee

- Tennessee began covering weight loss medications in 2017.
- Similarly to Connecticut, has begun experiencing a significant increase in GLP-1 utilization over the past few years.
- In their 2022 Annual Report, 4 out of their top 10 prescriptions drugs were a GLP-1, with Ozempic and Trulicity being ranked 2nd and 3rd for the highest financial impact to the plan.
- After adopting a standard prior authorization (PA) in June 2023, Tennessee added a custom PA effective 1/1/24 for new users of GLP-1 diabetes medications with no prior diabetes medical history on file. Current utilizers with no diabetes diagnosis or history will be subject to the PA effective 2/15/24.
- Tennessee does currently offer a weight management and intensive diabetes management program through ShareCare, which offers financial incentives to eligible members who enroll and meet certain metrics. Tennessee is working with their PBM and consultants to customize the PA requirements for GLP-1's used for weight management.

Looking Ahead

- The SBO will continue outreaching to other states and employers who are piloting new weight loss and GLP-1 management strategies.
- Continue to review peer-reviewed publications on the potential impacts of these drugs and provide the SEBC and SEBC Subcommittees with any updates and recommendations as needed or requested.
- Continue to monitor GLP-1 and bariatric surgery trends within the GHIP population.

Thank You



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