

The State of Delaware

GHIP Cost Savings Opportunity
Coverage of Weight Loss Medications

State Employee Benefits Committee Meeting

11/25/2025

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Updates on Other State Employee Health Plan Weight Loss Coverage

- While state-specific weight loss coverage has been in flux, it appears that 14 states are currently covering weight loss medications on Commercial State Employee plans:

| | | | | |
|-------------|----------|------------|------------|---------------|
| Alaska | Georgia | Kansas | New Mexico | Wyoming |
| Connecticut | Illinois | Kentucky | New York | Massachusetts |
| Delaware | Indiana | New Jersey | Tennessee | |

- Other States are in various phases of discontinuing coverage:

| State | Decision Stage | Effective Date | Other |
|----------------|----------------|------------------------|--|
| North Carolina | Discontinued | April 1, 2024 | No Grandfathering |
| Idaho | Discontinued | November 1, 2025 | No Grandfathering |
| Colorado | Discontinued | July 1, 2025 | Grandfathered current utilizers; Increased co-pay from \$30 to \$120 for a 30-day supply |
| Ohio | Discontinued | July 1, 2025 | Grandfathered current utilizers until prior authorization expires |
| Louisiana | Vetoed | Not previously covered | Governor vetoed budget provision that would have provided coverage for FY 2026 |
| Michigan | Discontinued | January 1, 2026 | No Grandfathering |

Other State Actions on GLP-1 Coverage for Weight Loss

The following states are not yet discontinuing coverage, but are implementing the following management tactics currently or in 2026:

- [Alaska](#), [Connecticut](#), [Illinois](#), and [Kentucky](#) mandate participation in a weight management program
 - Partners include third-party vendors such as Virta or embedded in current vendors like CVS
 - Sole prescribing of obesity GLP-1s may need to come from program providers
- [Connecticut](#) is exploring manufacturing their own generic GLP-1 weight-loss medications
- [New Jersey](#) will charge higher co-pays if members are not engaged in a weight management program:
 - \$125 versus \$45 for a 30-day supply
 - Selection and implementation of the specific weight management program is still pending
- [Kansas](#) will update prior authorization criteria to a BMI threshold of 35 effective January 1, 2026
- [Massachusetts](#) will require members to participate in the Vida Health Weight Management program to receive coverage of weight loss GLP-1s effective January 1, 2026
 - Vida medical providers will serve as the sole prescriber for obesity GLP-1s

Federal Updates to GLP-1s

- On November 6, 2025, the White House announced that Novo and Lilly agreed to sell their GLP-1 obesity drugs at substantially lower prices to Medicare and Medicaid, and to also lower their direct-to-consumer prices
 - The impact of these changes on GLP-1s purchased by employer sponsored health plans is not yet clear
 - Although much is to-be-determined, it appears as though coverage of weight loss under Medicare Part D will remain optional for states
 - Pricing will be dependent on the medication, dose and channel by which it is obtained
 - Both Novo's oral form of Wegovy (semaglutide) and Lilly's oral obesity pill orforglipron will have a starting dose price of \$149 per month
 - Both medications are not FDA approved yet but are being fast-tracked by the FDA, so approval is expected relatively soon
 - Higher prices are expected for the higher doses of these products
 - Wegovy
 - Current direct-to-consumer pricing is \$349 per month with additional plans to drop to \$250 per month over 2 years
 - Medicare price expected to be approximately \$245 per month
 - Zepbound
 - Direct-to-consumer pricing is expected to be \$299 per month for the lowest dose and up to \$449 for the highest dose, around \$50 less than current with plans to also drop to \$250 per month over two years
 - Medicare price expected to be approximately \$245 per month
 - Medicare patient out-of-pocket costs will be capped at \$50 per month

Source: <https://www.reuters.com/business/healthcare-pharmaceuticals/novo-lilly-shares-rise-trump-obesity-drug-deal-nears-2025-11-06/>
<https://www.nytimes.com/2025/11/06/health/trump-obesity-drug-prices-explainer.html>

Additional GLP-1 management options

| | Employer strategies | Cost/Trend | Considerations /Comments |
|-----------------|---|--|--|
| Most common | Cover with PBM criteria | <ul style="list-style-type: none"> Coverage of GLP-1s for weight loss with PA's Costs will most likely continue to rise Members will be satisfied | <ul style="list-style-type: none"> Cost mitigation options ROI on health benefits Current level of coverage for the GHIP |
| | Plan design | <ul style="list-style-type: none"> Copay, coinsurance, 30-day limits, lifetime maximums Rebates may be impacted and lowers savings Adds member abrasion | <ul style="list-style-type: none"> Compliance considerations, including DEI Still full pass-through of rebates up to \$200 copay with CVS |
| | BMI Increase | <ul style="list-style-type: none"> Coverage of GLP-1s for weight loss with a higher BMI than current BMI of 30 or 27 with comorbidities Rebates may be impacted and lowers savings Adds member abrasion | <ul style="list-style-type: none"> BMI as a measurement may no longer be used by prescribers |
| More innovative | Wrap-around clinical support | <ul style="list-style-type: none"> Require a wrap-around program as a condition of coverage of a GLP-1 for weight loss Minimizes adherence issues If using a limited prescriber network, this may impact rebates | <ul style="list-style-type: none"> This allows control of prescriber network and ensures lifestyle and diet changes can be made Includes CVS weight management program or third-party such as Virta and Vida |
| | Exclusion | <ul style="list-style-type: none"> Changing coverage strategy for weight loss from covered to excluded Significant cost mitigation strategy | <ul style="list-style-type: none"> Member dissatisfaction Could offer one-time FSA contribution for direct-to-consumer GLP-1 purchase to assist with cost |
| | Direct-to-Consumer (DTC) and Compound GLP-1s | <ul style="list-style-type: none"> Provide coverage of brands or compounded GLP-1s on or off benefit, with partial/full-subsidy options Offers continued clinical benefit of GLP-1s at a lower cost Some risk in using non-FDA approved drugs (compounds) | <ul style="list-style-type: none"> Drug shortage resolution and lawsuits may decrease this option (Compounds) Includes TrumpRx, NovoCare, LillyDirect, RxSaveCard with possible cost supplementation |
| | Direct contracting / Intra-State compact | <ul style="list-style-type: none"> Act independently or create compact with other states to negotiate with pharmaceutical manufacturers to lower costs Requires a PBM allowing this to contractually be an option | <ul style="list-style-type: none"> Could expand to additional high-cost classes other than GLP-1s Intra-State compact would be considered as a long-term solution instead of immediate |

GLP1 Experience – Commercial Weight-Loss

SEBC voted to cover Weight Loss drugs subject to utilization management on March 6, 2023. At that time CVS was estimating the incremental cost to the GHIP in FY2024 would be **\$1.8M**. However, FY2024 actual spend was **\$14.2M**, and actual FY2025 spend was **\$53.3M**. WTW is now projecting Weight Loss drug spend to be **\$94.4M** in FY2026.

| | Budget | | | Actual / Re-Forecast | | |
|------------------|----------------|-----------------------|------------------|----------------------|----------------------|------------------|
| Month | Claims | Projected FY26 | Month-over-Month | Claims | Projected FY26 | Month-over-Month |
| June FY25 | 5,443 | \$ 6,325,000 | 8% | | | |
| July | 5,878 | \$ 7,770,000 | 23% | 4,277 | \$ 5,452,356 | -14% |
| August | 6,349 | \$ 8,390,000 | 8% | 4,643 | \$ 5,947,219 | 9% |
| September | 6,857 | \$ 9,060,000 | 8% | 4,934 | \$ 6,290,576 | 6% |
| October | 7,337 | \$ 9,690,000 | 7% | 5,268 | \$ 6,680,003 | 6% |
| November | 7,850 | \$ 10,370,000 | 7% | 5,637 | \$ 7,147,604 | 7% |
| December | 8,400 | \$ 11,100,000 | 7% | 6,031 | \$ 7,647,936 | 7% |
| January | 8,904 | \$ 11,770,000 | 6% | 6,393 | \$ 8,106,812 | 6% |
| February | 9,438 | \$ 12,480,000 | 6% | 6,777 | \$ 8,593,221 | 6% |
| March | 9,910 | \$ 13,100,000 | 5% | 7,116 | \$ 9,022,882 | 5% |
| April | 10,405 | \$ 13,760,000 | 5% | 7,471 | \$ 9,474,026 | 5% |
| May | 10,821 | \$ 14,310,000 | 4% | 7,770 | \$ 9,852,987 | 4% |
| June | 11,254 | \$ 14,880,000 | 4% | 8,081 | \$ 10,247,106 | 4% |
| Total | 103,402 | \$ 136,680,000 | | 74,399 | \$ 94,462,727 | |

- The decrease in the Re-Forecast versus Budget is attributable to the CVS/Wegovy deal effective July 2025
- All figures are gross spend, prior to rebates

GHIP Savings Opportunity: Elimination of GLP-1 for Weight Loss Scenario Long Term Projection

| SPEND AFTER REBATES | | | |
|---------------------|----------------|---------------------|---------|
| Plan Year | Remain Covered | Coverage Eliminated | Savings |
| FY27 | \$60.3M | \$9.0M | \$51.2M |
| FY28 | \$71.6M | \$10.7M | \$60.8M |
| FY29 | \$80.7M | \$12.1M | \$68.6M |

| Plan Year | RATE ACTION | | GHIP SURPLUS (After Reserves) | |
|-----------|----------------|------------------------|----------------------------------|------------------------|
| | Remain Covered | WL Coverage Eliminated | Remain Covered | WL Coverage Eliminated |
| FY27 | 4.2% | 0.0% | \$79.7M | \$90.5M |
| FY28 | 4.2% | 4.2% | \$11.6M | \$29.2M |
| FY29 | 14.3% | 12.3% | \$0.0M | \$0.0M |

- Projections assume a July 1, 2026 effective date
- Projections assume that, on average, 15% of current GLP-1 Rx for weight-loss convert to anti-diabetes or a different covered indication over the FY27-FY29 projection period
- Projections do not account for any potential increase in spend due to adverse medical outcomes, such as development of type II diabetes, instances of heart attack/stroke, and other medical conditions or events that may have been avoided by the coverage of these medications

GHIP Savings Opportunity: Elimination of GLP-1 for Weight Loss Scenario Long Term Projection - Details

| GHIP Costs (\$ millions) | FY25 | FY26 | FY27 | FY28 | FY29 |
|---|------------------|------------------|------------------|------------------|------------------|
| | Actual | Projected | Projected | Projected | Projected |
| Average Enrolled | 79,063 | 74,500 | 74,385 | 75,129 | 75,880 |
| GHIP Revenues | | | | | |
| Premium Contributions | \$1,261.3 | \$1,227.7 | \$1,239.5 | \$1,297.0 | \$1,459.8 |
| Transfer from OMB | | | | | |
| Payback of Transfer from OMB | (\$7.3) | | | | |
| Other Revenues | \$288.1 | \$360.2 | \$351.4 | \$372.3 | \$397.8 |
| Total Operating Revenues | \$1,542.1 | \$1,587.9 | \$1,590.9 | \$1,669.3 | \$1,857.5 |
| GHIP Expenses | | | | | |
| Claims | \$1,387.7 | \$1,491.3 | \$1,529.8 | \$1,671.8 | \$1,825.7 |
| Expenses | \$58.1 | \$49.1 | \$51.3 | \$53.0 | \$54.8 |
| Total Operating Expenses | \$1,445.8 | \$1,540.5 | \$1,581.1 | \$1,724.8 | \$1,880.5 |
| <i>% Change Per Member</i> | | 14.1% | 2.7% | 8.2% | 8.1% |
| Adjusted Net Income | \$96.3 | \$47.5 | \$9.8 | (\$55.5) | (\$23.0) |
| Balance Forward | \$0.1 | \$96.4 | \$143.9 | \$153.7 | \$98.2 |
| Ending Fund Cash Balance | \$96.4 | \$143.9 | \$153.7 | \$98.2 | \$75.2 |
| - Less Claims Liability | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| - Less Minimum Reserve | \$32.3 | \$61.6 | \$63.2 | \$69.0 | \$75.2 |
| GHIP Surplus (After Reserves/Deposits) | \$64.1 | \$82.3 | \$90.5 | \$29.2 | \$0.0 |

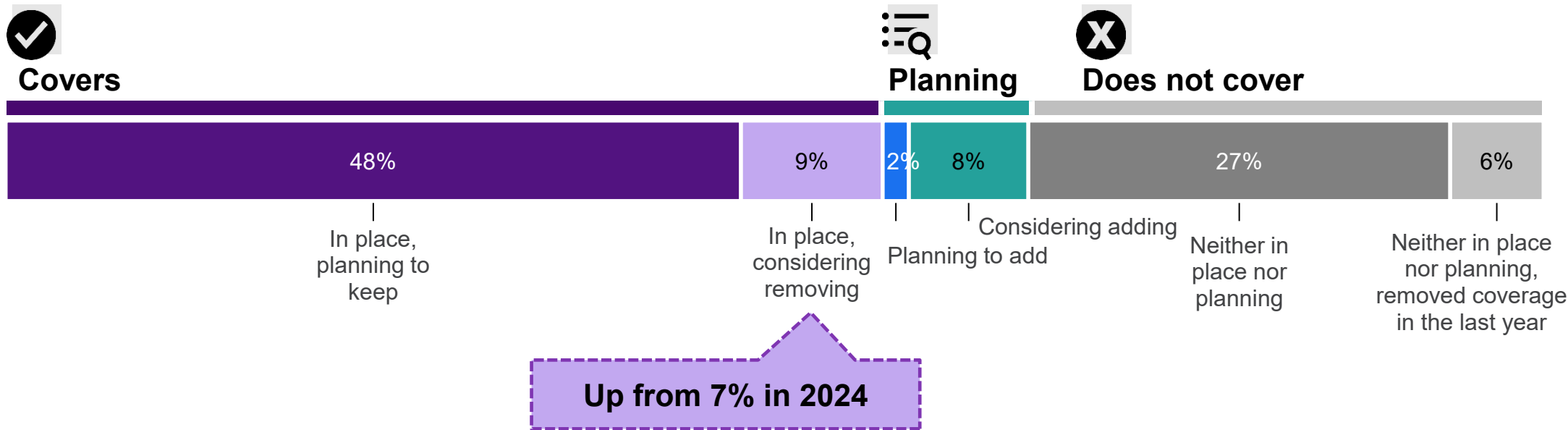
Should SEBC choose to discontinue coverage and apply a 0% rate action on premium contributions for fiscal 2027, the GHIP Surplus After Reserves would be \$90.5M, \$10.7M higher than the status quo scenario.

Appendix: Commercial Plan Weight Loss Coverage Benchmarking

3 in 5 employers cover medications for obesity (continued)



Does your organization cover GLP-1 medications for obesity?

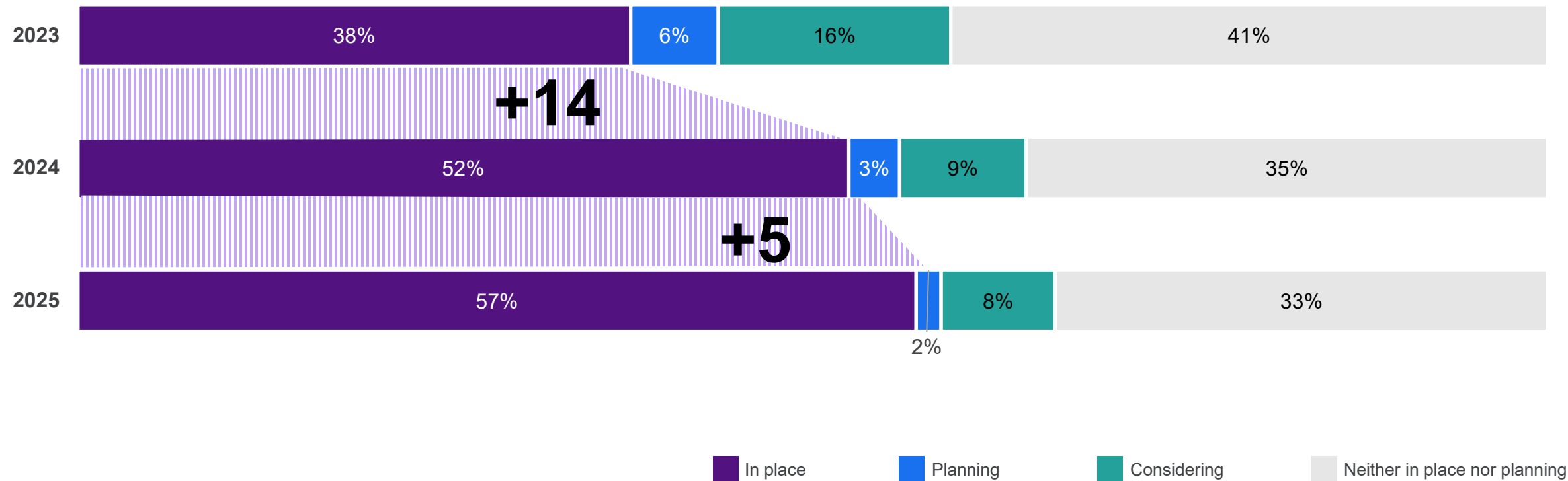


Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2025 Best Practices in Healthcare Survey.

3 in 5 employers cover medications for obesity



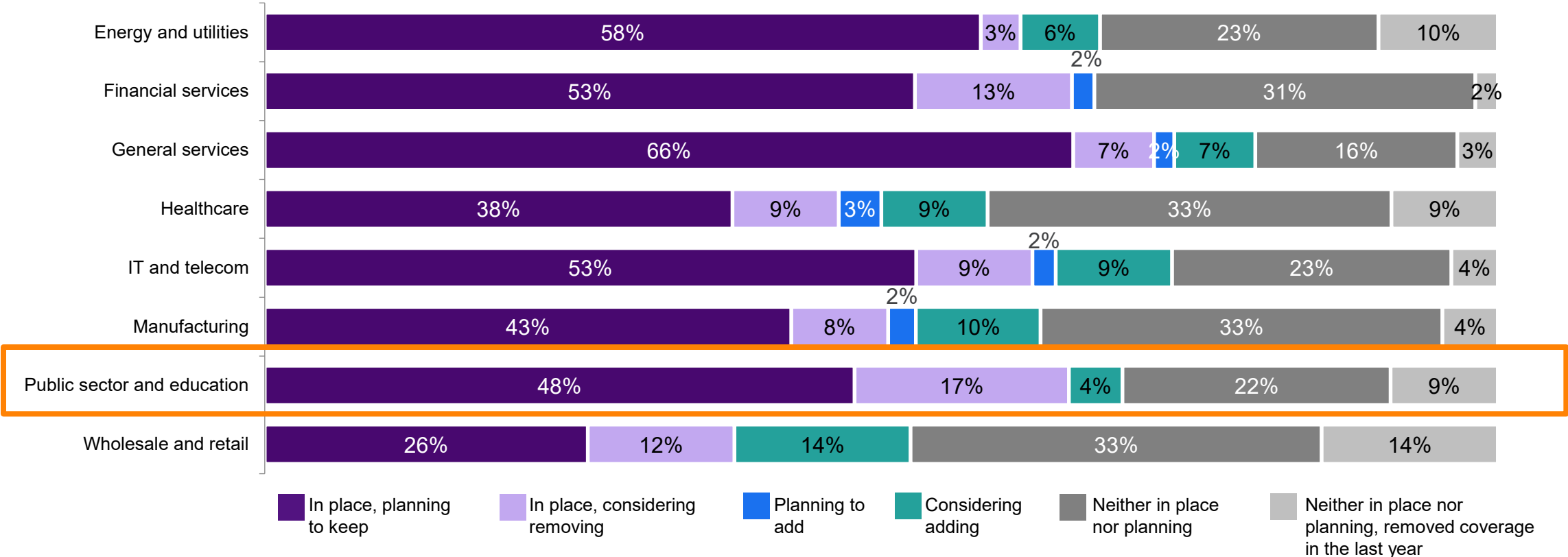
Does your organization cover medications for obesity?



Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2023, 2024 and 2025 Best Practices in Healthcare Survey

GLP-1 coverage by employer industry

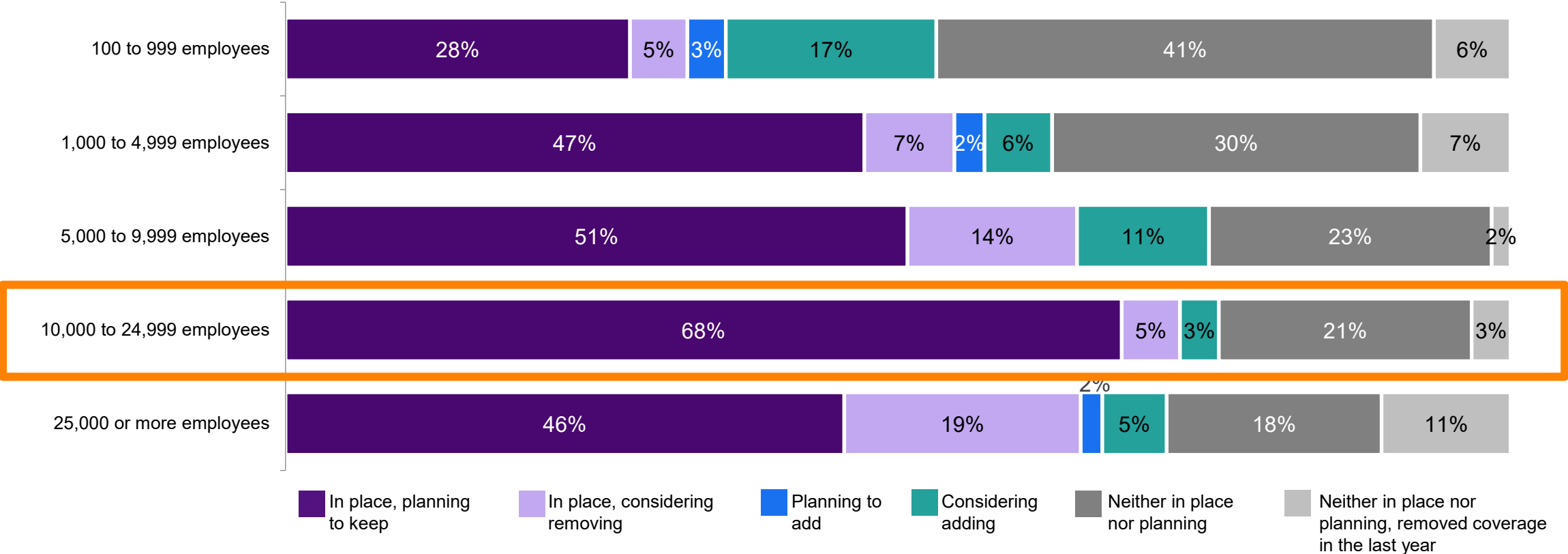
 Does your organization cover GLP-1 medications for obesity?



Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2025 Best Practices in Healthcare Survey

GLP-1 coverage by employer size

 Does your organization cover GLP-1 medications for obesity?



Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2025 Best Practices in Healthcare Survey