

The State of Delaware

GHIP Cost Savings Opportunity
Coverage of Weight Loss Medications

State Employee Benefits Committee Meeting

12/16/2025

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GLP-1 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

GLP-1 – Weight-loss Savings Opportunity

SAVINGS AFTER REBATES

Plan Year	Coverage Eliminated	Stand-Alone \$120 Copay	Integrated \$120 Copay	Stand-Alone \$200 Copay	Integrated \$200 Copay
FY27	\$51.2M	\$16.1M	\$10.4M	\$28.7M	\$13.3M
FY28	\$60.8M	\$19.1M	\$12.3M	\$34.0M	\$15.8M
FY29	\$68.6M	\$21.5M	\$13.9M	\$38.3M	\$17.8M
Total Savings	\$180.6M	\$56.8M	\$36.6M	\$101.0M	\$46.8M

RATE ACTION IMPACT

Plan Year	Remain Covered	WL Coverage Eliminated	Stand-Alone \$120 Copay	Integrated \$120 Copay	Stand-Alone \$200 Copay	Integrated \$200 Copay
FY27	4.2%	0.0%	2.7%	3.3%	1.6%	3.0%
FY28	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
FY29	14.3%	12.3%	14.3%	14.3%	14.3%	14.3%

- Projections assume a July 1, 2026 effective date
- If coverage eliminated, projections assume that, on average, 15% of current GLP1 Rx for weight-loss convert to anti-diabetes or a different covered indication over the FY27-FY29 projection period
- Current copay is \$32 for a 30-day supply and \$64 for a 90-day supply
- If copay increased, projections assume a 10% reduction in overall utilization at \$120 copay and 15% at \$200 copay level
- “Stand-alone” copay assumes that the copay no longer applies towards the member out-of-pocket maximum accumulator; “Integrated” copay assumes that the copay continues to apply towards the member out-of-pocket maximum accumulator.
- Copays are double for 90-day supply
- 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

GLP-1 – Weight-loss Savings Opportunity (Continued)

Weight Management Programs

- Committee members requested information on available Weight Management programs to explore in conjunction with continual coverage of GLP-1 medications for weight loss.
- The SBO provided the Committee with proposed weight management programs from CVS, Teledoc, Aetna, and Highmark (Noom).
- These programs come at an additional cost to the State and vary by program, though can be leveraged with current contracts.
- The SBO has requested that the Committee review the proposals and should there be interest in exploring further, an agenda item can be added for discussion at an upcoming meeting.
- The solicitation of proposals outside of current SEBC vendors/contracts would require an RFP.

As requested by Committee: Added Cost of GLP-1 – Weight-loss Coverage for the Medicare Population

SPEND AFTER REBATES			RATE ACTION IMPACT		
Plan Year	Commercial	Medicare	Plan Year	Current LTP	Add Medicare
FY27	\$60.3M	\$4.2M	FY27	4.2%	4.2%
FY28	\$71.6M	\$8.9M	FY28	4.2%	4.4%
FY29	\$80.7M	\$10.0M	FY29	14.3%	15.8%
Total Cost		\$23.1M			

Assumptions:

- Coverage effective July 1, 2026
- Utilization per adult in the Medicare population is 25% of the Commercial population; assumed to increase evenly during FY27
- Cost of coverage (after copays) fully borne by the GHIP assuming no coverage implemented under Medicare

Appendix: Slides from November 25, 2025 meeting

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 \$350 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

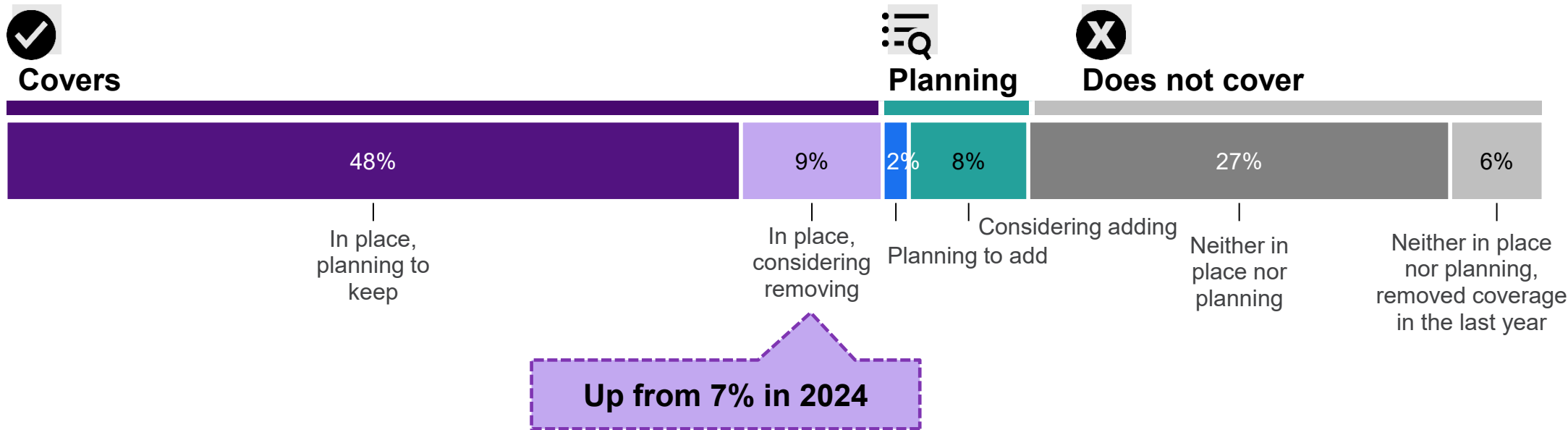
	Employer strategies	Cost/Trend	Considerations /Comments
Most common	Cover with PBM criteria	<ul style="list-style-type: none"> Coverage of GLP-1s for weight loss with PA's Costs will most likely continue to rise Members will be satisfied 	<ul style="list-style-type: none"> Cost mitigation options ROI 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, LilyDirect, 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

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?

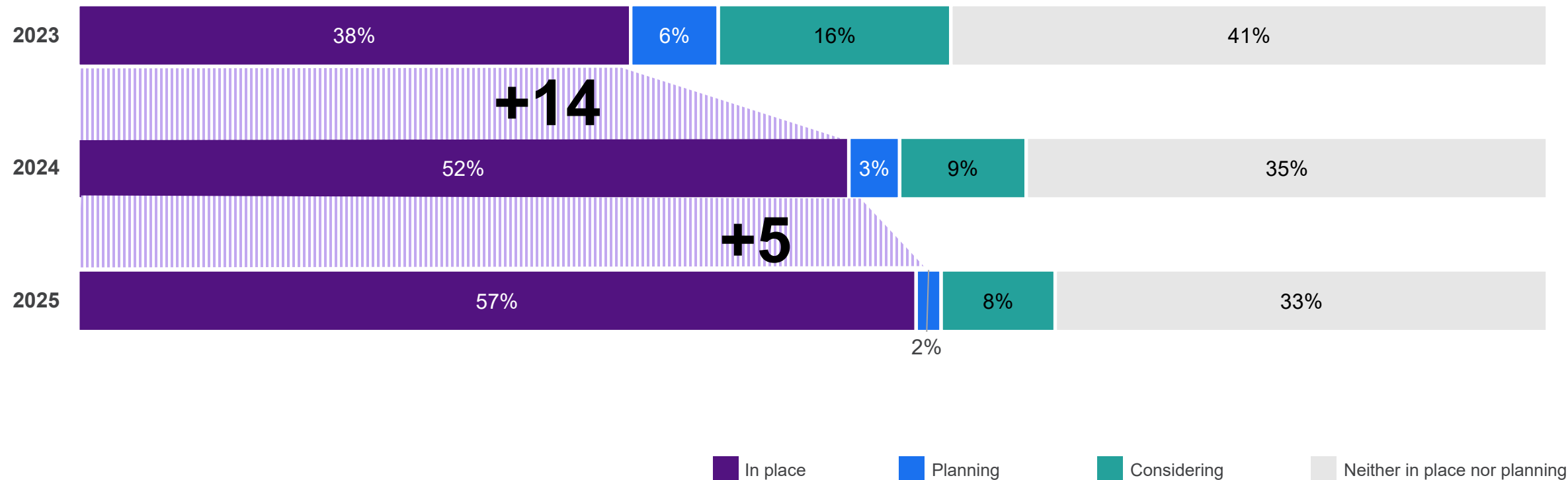


Note: Percentages may not sum up to 100% due to rounding.
Source: WTW 2025 Best Practices in Healthcare Survey.

3 in 5 employers cover medications for obesity



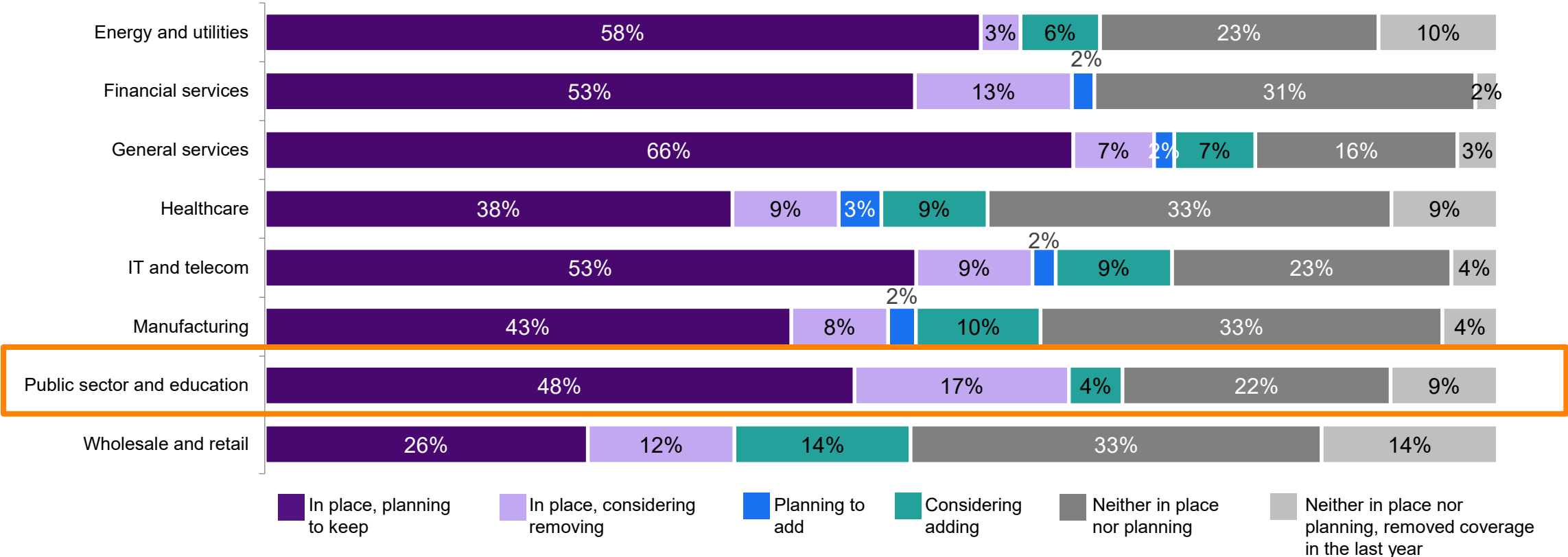
Does your organization cover medications for obesity?



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

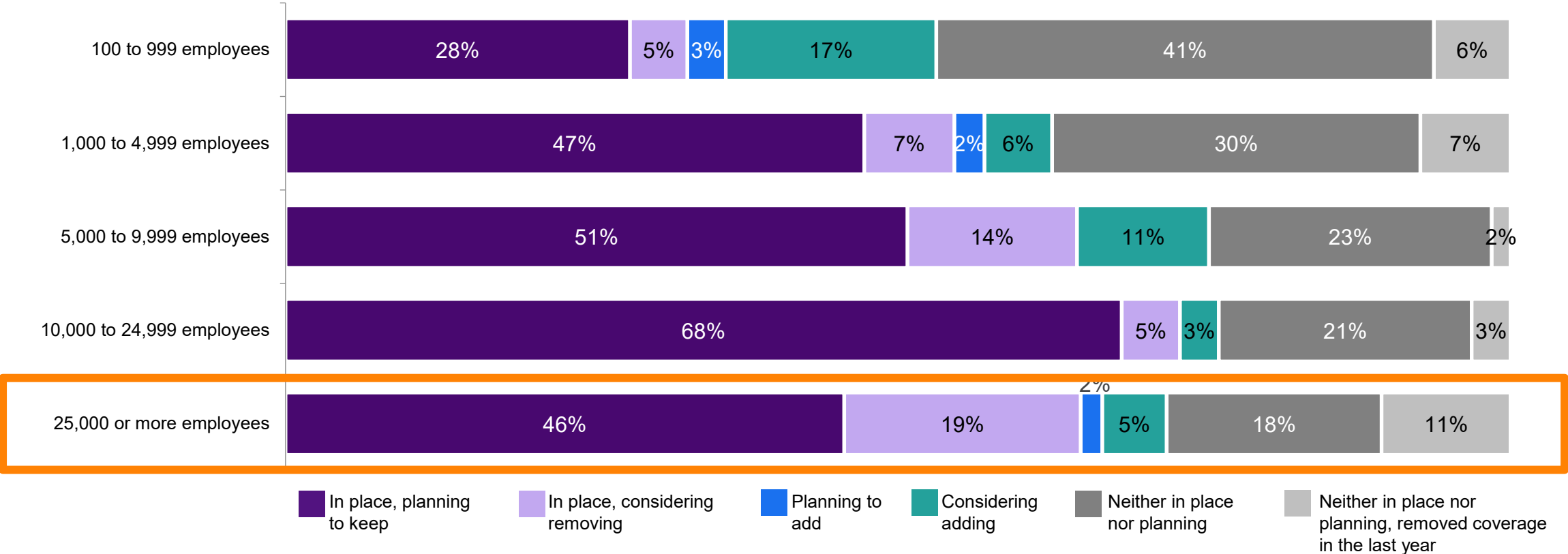
 Does your organization cover GLP-1 medications for obesity?



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