The State of Delaware

GHIP Cost Savings Opportunity
Coverage of Weight Loss Medications

State Employee Benefits Committee Meeting

March 9, 2026

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Follow-ups from February 13, 2026 SEBC Meeting

- Can better rebates be negotiated with Novo Nordisk for Wegovy?
  - CVS regularly negotiates rebate deals with manufacturers and recently provided improved rebates for Wegovy effective July 1, 2025
    - Novo is currently only willing to increase rebates with the removal of all Prior Authorization criteria from the plan
  - SBO directly reached out to Novo and they were unwilling to provide any additional financial support at this time
- Can Novo agree to their copay assistance program remaining in place?
  - Novo currently offers a savings card with up to $100 per month in copay assistance (in excess of $25 member paid out-of-pocket)
  - SBO directly discussed this with Novo
    - Although likely to continue, Novo is unwilling to firmly commit to the program remaining in place beyond Calendar 2026 and noted that their savings programs are subject to end at any time
    - Typically, Novo will provide some form of advanced notice to changes to these savings programs but were unwilling to commit to any advanced notice timeline specific to these medications
- Can member pharmacy copays be variable based on employee salary?
  - CVS could produce a structure to administer this, however:
    - SBO does not obtain salary data from non-State employer groups, spouses, or dependents,
    - Would be inconsistent with out-of-pocket levels in the medical plan,
    - Employee salary is not necessarily representative of household income, and
    - Inconsistent with typical employer approaches to salary banding; consists of salary banding all Rx copays or health plan premiums

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Follow-ups from February 13, 2026 SEBC Meeting (Continued)

- Would CVS and Novo Nordisk be willing to provide the proposed Direct-to-Consumer (DTC) pricing model while maintaining current Prior Authorization/Utilization Management Criteria?
  - SBO spoke with both CVS and Novo Nordisk advocating for this approach and were informed it is not an option
  - The current DTC model from Novo Nordisk excludes Prior Authorization as PBMs are not part of the process. Access to DTC pricing is only available through the full model, which requires the removal of Prior Authorizations

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Recent GLP-1 Market Updates

- On February 24, 2026, Novo Nordisk announced that they will reduce U.S. list prices for Wegovy, Ozempic, and Rybelsus to $675 per month, starting January 1, 2027.
  - This represents approximately a 50% reduction in list price for Wegovy and 35% reduction for Ozempic and Rybelsus.
    - Of note, Wegovy is indicated for weight loss, Ozempic and Rybelsus are indicated for diabetes.
    - The reductions apply to all doses of the medications.
    - Direct-to-consumer prices through NovoCare and telehealth partners will not change.
  - CVS has indicated that they will continue to negotiate with Novo Nordisk on the net cost, including associated rebates, throughout 2026.

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Option 1 – Eliminate Coverage of GLP-1 Medications for Weight Loss

- SEBC to consider eliminating coverage of GLP-1 medications for weight loss for the commercial population (Active Employees and Non-Medicare Retirees) effective July 1, 2026.
  - Pros:
    - Pharmacy savings over a three-year period equates to **$179.1 million.**
    - SEBC could pass a 0.00% premium rate increase for FY27 with a reduced premium increase for FY29 (based on current experience).
  - Cons:
    - Nearly 6,000 members currently utilizing these medications for weight loss would lose coverage.
    - Potential for reduced/adverse health outcomes. Members who rely on GLP-1s for weight management may experience weight regain, worsening metabolic health, and increased risk of obesity-related conditions (e.g., diabetes, hypertension, sleep apnea).
    - Potential for higher long-term healthcare costs. Short-term savings from stopping coverage may be offset by increased medical claims for chronic diseases, hospitalizations, and complications associated with obesity.
    - Increased out-of-pocket burden. Members who continue treatment without coverage may face significant financial strain, though direct-to-consumer pricing has been decreasing for these drugs.

Plan Year	Coverage Eliminated
FY27	$50.8M
FY28	$60.3M
FY29	$68.0M
Total Savings (Net of Rebates)	**$179.1M**

Note: Above results assume that 15% of utilizers would find an alternative path to coverage – either through a Diabetes diagnosis or coverage for an indication different from weight loss.

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Option 2 – Implement Stand-Alone Copay of $120, $132 or $200 per 30-day supply

- SEBC to consider maintaining coverage of GLP-1 medications for weight loss for the commercial population (Active Employees and Non-Medicare Retirees) with an increased member copay effective July 1, 2026:
  - Stand-Alone copay means the medication would be excluded* from the current out-of-pocket maximums for prescription drugs.
  - Current copay is $32 per 30-day supply
  - Copays are double for 90-day supply.
  - Pros:
    - Pharmacy savings over a three-year period of **$45.4M - $76.6M** depending on the copay amount selected.
    - SEBC could pass a 2.2% - 3.0% premium rate increase for FY27 (lower than current 4.2%).
    - Maintaining coverage may result in improved health outcomes and decreased medical expenses in the long-term.
    - Novo offers up to $100 per month copay in assistance, significantly helping to offset the increase in member copays.
  - Cons:
    - Does not meet SEBC objective of a 0% rate action for FY27.

Plan Year	$200	$132	$120
FY27	$21.7M	$14.6M	$12.9M
FY28	$25.8M	$17.3M	$15.3M
FY29	$29.1M	$19.5M	$17.2M
Total Savings (Net of Rebates)	**$76.6M**	**$51.3M**	**$45.4M**
FY27 Rate Action	**2.2%**	**2.9%**	**3.0%**

**For reference, fertility drugs are currently excluded from annual out-of-pocket maximums and have a lifetime maximum of $15,000 per member.*

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Option 3 – Implement Integrated Copay of $120, $132 or $200 per 30-day supply

- SEBC to consider maintaining coverage of GLP-1 medications for weight loss for the commercial population (Active Employees and Non-Medicare Retirees) with an increased member copay effective July 1, 2026:
  - Integrated copay means the medication is still subject to the current out-of-pocket maximums* for prescription drugs ($2,100 per employee; $4,200 per family).
  - Current copay is $32 per 30-day supply
  - Copays are double for 90-day supply.
  - Pros:
    - Pharmacy savings over a three-year period of **$27.5M - $36.3M** depending on the copay amount selected.
    - SEBC could pass a 3.3% - 3.5% premium rate increase for FY27 (lower than current 4.2%).
    - If/when members reach their OOPM, copay would be waived. This is accounted for in the provided fiscal estimates.
    - Maintaining coverage may result in improved health outcomes and decreased medical expenses in the long-term.
    - Novo offers up to $100 per month copay assistance, significantly helping to offset the increase in member copays.
  - Cons:
    - Does not meet SEBC objective of 0% rate action for FY27.

Plan Year	$200	$132	$120
FY27	$10.3M	$9.0M	$7.8M
FY28	$12.2M	$10.7M	$9.2M
FY29	$13.8M	$12.0M	$10.4M
Total Savings (Net of Rebates)	**$36.3M**	**$31.6M**	**$27.5M**
FY27 Rate Action	**3.3%**	**3.4%**	**3.5%**

**Once a member's out-of-pocket prescription drug expenses reach this amount, the plan will cover 100% of eligible expenses.*

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Option 4 – Eliminate Current Prior Authorization Requirements and Implement an Integrated or Stand-Alone Copay of $120, $132 or $200 per 30-day supply

- CVS recently proposed a new model to better align net GHIP pricing for weight loss GLP-1s to the “Direct-to-Consumer” (DTC) market.
- This model allows the GHIP to access improved rebates for weight loss GLP-1 medications on the standard formulary at a net cost slightly better than DTC.
- The caveat to this model is the GHIP would need to completely eliminate Prior Authorization (PA) / Utilization Management (UM) requirements for these medications to access the improved rebates.
- Example of impact:
  - Under the current PA/UM process, when a GHIP member receives a prescription for Wegovy, that prescription is sent to CVS for review and approval prior to distribution. CVS checks to ensure the member meets the FDA approved criteria for Wegovy (i.e., BMI threshold, age, and comorbidity requirements) and ensures there are no medical contraindications to the member taking the drug (i.e., pregnancy, medullary thyroid cancer, pancreatitis, etc.)
  - Under this new model, this process would **cease** for these medications, meaning someone with a BMI under threshold, underage, or with a medical contraindication could fill the prescription without review and approval.
- From July 2023 through November 2025, there were 7,334* instances of PA denials or cases in which no PA was requested for weight loss prescriptions under GHIP, indicating there have been numerous instances where a member received a prescription for Wegovy when they did not meet the approved FDA criteria or had a contraindication, leading to denial/rejection of claims.

**The 7,334 denials factors in all episodes and may contain duplicate PA requests.*

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Option 4 – Eliminate Current Prior Authorization Requirements and Implement an Integrated or Stand-Alone Copay of $120, $132 or $200 per 30-day supply – Continued (1)

- Pros:
  - Estimated short-term pharmacy savings over a three-year period of **$31.8M - $130.1M** depending on the copay amount selected and if it is integrated or stand-alone (see detailed chart on Slide 9).
  - SEBC could pass a 0.8% - 3.4% premium rate increase for FY27 (lower than current 4.2%).
  - Novo offers $100 per month copay assistance, significantly helping to offset the increase in member copays.
- Cons:
  - Utilization would increase significantly.
  - Potential health consequences for those getting the prescription who do not meet FDA approved guidelines.
  - No clinical oversight for compliance or use.
  - Unpredictable future trends – added utilization could outpace savings in the future, putting the GHIP in a worse financial position.
  - Pricing and coverage may differ in the future if a new PBM is awarded and they do not offer this model.

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Option 4 – Eliminate Current Prior Authorization Requirements and Implement an Integrated or Stand-Alone Copay of $120, $132 or $200 per 30-day supply – Continued (2)

- Assumes a 100% increase in utilization

Plan Year	Integrated $200 Copay	Integrated $132 Copay	Integrated $120 Copay
FY27	$14.1M	$11.4M	$9.0M
FY28	$16.7M	$13.5M	$10.7M
FY29	$18.8M	$15.2M	$12.1M
Total Savings (Net of Rebates)	**$49.5M**	**$40.1M**	**$31.8M**

Plan Year	Stand-Alone $200 Copay	Stand-Alone $132 Copay	Stand-Alone $120 Copay
FY27	$36.9M	$22.6M	$19.2M
FY28	$43.8M	$26.8M	$22.8M
FY29	$49.4M	$30.2M	$25.6M
Total Savings (Net of Rebates)	**$130.1M**	**$79.5M**	**$67.6M**

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Option 5 – Maintain Current Coverage Effective July 1, 2026 (No Changes)

- Option to maintain current coverage with no changes to copays or coverage terms effective July 1, 2026.
  - SEBC has been provided multiple proposals from GHIP vendors to consider an integrated weight management approach.
    - Committee can consider exploring one of these programs for a later effective date.
    - Programs would come at an additional cost to the GHIP.
    - Results and ROI vary by program.
    - Need to consider potential impacts to rebates.
    - External program exploration would require an RFP.
  - WTW and SBO will continue monitoring changes in the market due to approval of new drugs, new indications, etc., and any changes to pricing that may impact GHIP.
  - SBO will continue to explore direct-to-employer contracting opportunities with drug manufacturers.
    - Eli Lilly and Novo Nordisk are not currently offering any direct-to-employer contracts/programs, though this may change as the market evolves.
  - Pros:
    - Maintaining benefits for members would ensure no disruption in access to medication.
    - Potential for decreased medical expenses in the long-term as overall health improves for members utilizing these medications for weight loss.
  - Cons:
    - Current cost to the GHIP is unsustainable.

	Projected Cost After Rebates*	
Plan Year	**With Prior Auth**	No Prior Auth
FY27	$59.8M	$66.3M
FY28	$71.0M	$78.8M
FY29	$80.0M	$88.8M
Total	**$210.7M**	**$233.9M**

**Cost differs from savings in Option 1 as Option 1 assume that 15% of utilizers would find an alternative path to coverage – either through a Diabetes diagnosis or coverage for an indication different from weight loss.*

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Committee Motion/Vote on Options or Other Alternatives

- Option 1 – Eliminate Coverage of GLP-1 Medications for Weight Loss
- Option 2 – Implement Stand-Alone Copay of $120, $132 or $200 per 30-day supply
- Option 3 – Implement Integrated Copay of $120, $132 or $200 per 30-day supply
- Option 4 – Eliminate Current Prior Authorization Requirements and Implement an Integrated or Stand-Alone Copay of $120, $132 or $200 per 30-day supply
- Option 5 – Maintain Current Coverage (No Changes)

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Appendix

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Formulary Update – Oral Form of Wegovy

- On December 22, 2025, the FDA approved Novo Nordisk's Wegovy pill, the first and only oral GLP-1 for weight loss in adults.
- The SBO confirmed with CVS that the pill will have the same net cost as the injectable per 30-day supply.
- Wegovy pill is subject to same Utilization Management criteria as the injectable.
- Direct-to-consumer pricing for the Wegovy ranges from $149 - $349 per month. The wholesale acquisition cost (WAC) cost is $1,349 per month which is the approximate cost under the GHIP prior to rebates.
- Pharmacies began stocking the pill in early January 2026, meaning we will likely begin to see claims in our reporting starting in February.

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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 **$92.1M** 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%	4,901	$ 6,318,149	-5%
December	8,400	$ 11,100,000	7%	**5,500**	**$ 7,036,922**	**7%**
January	8,904	$ 11,770,000	6%	5,830	$ 7,459,138	6%
February	9,438	$ 12,480,000	6%	6,413	$ 8,205,051	10%
March	9,910	$ 13,100,000	5%	6,862	$ 8,779,405	7%
April	10,405	$ 13,760,000	5%	7,342	$ 9,393,963	7%
May	10,821	$ 14,310,000	4%	7,783	$ 9,957,601	6%
June	11,254	$ 14,880,000	4%	8,250	$ 10,555,057	6%
Total	**103,402**	**$ 136,680,000**		**72,003**	**$ 92,075,441**	

- The decrease in the Re-Forecast versus Budget is attributable to the CVS/Wegovy deal effective July 2025
- Larger increases expected starting in February due to Wegovy pill
- All figures are gross spend, prior to rebates

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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	$50.8M	$12.9M	$7.8M	$21.7M	$10.3M
FY28	$60.3M	$15.3M	$9.2M	$25.8M	$12.2M
FY29	$68.0M	$17.2M	$10.4M	$29.1M	$13.8M
Total Savings	**$179.1M**	**$45.4M**	**$27.5M**	**$76.6M**	**$36.3M**

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%	3.0%	3.5%	2.2%	3.3%
FY28	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
FY29	13.6%	12.0%	13.6%	13.6%	13.6%	13.6%

- 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 no reduction in overall utilization at $120 copay and $200 copay level due to Novo Nordisk copay assistance program
- “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

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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	
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
Massachusetts	Discontinued	July 1, 2026	No Grandfathering

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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 GPL-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~~

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Federal Updates to GLP-1s

- On November 6, 2025, the White House announced that Novo and Lily 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 Lily'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

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Additional GLP-1 management options

Most common

More innovative

	Employer strategies	Cost/Trend	Considerations /Comments
Cover with PBM criteria	• Coverage of GLP-1s for weight loss with PA's	• Costs will most likely continue to rise • Members will be satisfied	• Cost mitigation options • ROI on health benefits • Current level of coverage for the GHIP
Plan design	• Copay, coinsurance, 30-day limits, lifetime maximums	• Rebates may be impacted and lowers savings • Adds member abrasion	• Compliance considerations, including DEI • Still full pass-through of rebates up to $200 copay with CVS
BMI Increase	• 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	• BMI as a measurement may no longer be used by prescribers
Wrap-around clinical support	• 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	• 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	• Changing coverage strategy for weight loss from covered to excluded	• Significant cost mitigation strategy	• 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	• 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)	• Drug shortage resolution and lawsuits may decrease this option (Compounds) • Includes TrumpRx, NovoCare, LilyDirect, RxSaveCard with possible cost supplementation
Direct contracting / Intra-State compact	• 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	• 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

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

SPEND AFTER REBATES

Plan Year	Commercial	Medicare
FY27	$60.3M	$4.2M
FY28	$71.6M	$8.9M
FY29	$80.7M	$10.0M
Total Cost		**$23.1M**

RATE ACTION IMPACT

Plan Year	Current LTP	Add Medicare
FY27	4.2%	4.2%
FY28	4.2%	4.4%
FY29	14.3%	15.8%

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

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