# The State of Delaware

#### Weight Management Strategy

Health Policy & Planning Subcommittee Meeting October 16, 2023



### Disclaimer

Willis Towers Watson has prepared this information solely in our capacity as consultants under the terms of our engagement with you with knowledge and experience in the industry and not as legal advice. This information is exclusively for the State of Delaware's State Employee Benefits Committee to use in the management, oversight and administration of your state employee group health program. It may not be suitable for use in any other context or for any other purpose and we accept no responsibility for any such use.

Willis Towers Watson is not a law firm and therefore cannot provide legal or tax advice. This document was prepared for information purposes only and it should not be considered a substitute for specific professional advice. As such, we recommend that you discuss this document with your legal counsel and other relevant professional advisers before adopting or implementing its contents. This document is based on information available to Willis Towers Watson as of the date of delivery and does not account for subsequent developments after that date.

Willis Towers Watson shares available medical and pharmacy research and the views of our health management practitioners in our capacity as a benefits consultant. We do not practice medicine or provide medical, drug, or legal advice, and encourage our clients to consult with both their legal counsel and qualified health advisors as they consider implementing various health improvement and wellness initiatives.

This material was not prepared for use by any other party and may not address their needs, concerns or objectives. This document may not be reproduced, disclosed or distributed to any other party, whether in whole or in part, other than as agreed with you in writing, except as may be required by law.

We do not assume any responsibility, or accept any duty of care or liability to any other party who may obtain a copy of this material and any reliance placed by such party on it is entirely at their own risk.



# Weight management strategies

Recap from the September 2023 Health Policy & Planning Subcommittee meeting

- Key topics discussed:
  - Update on FY24 year-to-date cost and utilization of weight loss medications for Commercial (non-Medicare) plan participants
  - Utilization management restrictions currently in place for Commercial plan participants seeking weight loss medications (i.e., aligned with FDA guidelines)
  - Current gap in medical plan coverage of outpatient weight management consultations (i.e., requires co-morbid condition), and opportunities to address through the medical carriers and virtual primary care
  - CVS pilot weight management program
- Subcommittee members provided feedback on:
  - Pros/Cons of limiting access to weight loss medications so soon after coverage was first adopted by the SEBC
  - Coverage of weight management consultations under the medical plan
    - May be an exclusion specific to Delaware's State Group Health plan
    - Some interest in removing requirement of co-morbid condition, with recognition that medical treatment for weight loss goes beyond simply granting access to weight loss medications
    - No interest in further exploring virtual primary care as avenue for expanding access to outpatient weight loss consultations
  - Interest in leveraging existing weight management resources and using current care management programs to steer members to those resources in lieu of adopting new programs focused on weight management

## Weight management strategies

Recap from the September 2023 Health Policy & Planning Subcommittee meeting (continued)

### Follow-up questions and answers

Weight loss medications (covered under Rx benefit) – What is the average fill duration for these types of prescriptions? i.e., 30 days? 90 days?	Majority of prescriptions (about 87%) filled by the State's Commercial (non-Medicare) plan participants in Q1 FY24 were for $\leq$ 30 days supply. As of September 2023, there were nearly 500 unique users of these medications on the State's Commercial plan.
Weight loss consultations (covered under medical benefit) – How do Highmark and Aetna cover these types of visits for their fully insured book of business? Is this exclusion specific to Delaware's State Group Health Plan?	Coverage under Highmark's fully insured book of business and the majority of its self-funded customers is consistent with the State Group Health Plan. Aetna clinical policy defines medical necessity for these types of visits as plan participants who are obese (BMI $\geq$ 30), with no mention of any requirements for comorbid conditions to be present.
<b>Weight management resources</b> – Is it possible for Highmark and Aetna care management programs to steer plan participants to existing weight management resources?	Yes. As a future consideration, consider exploring medical carriers' ability to administer requirement of care management program participation in order for members to continue receiving coverage of weight loss medications under the GHIP.

3

# Weight management program considerations

### Models from other states

#### Florida

Length of time offered	Since January 1, 2018
Weight management services covered under pilot program	<ul> <li>Medical services provided by in-network physicians</li> <li>FDA-approved medications prescribed for chronic weight management</li> <li>All covered services are subject to member cost sharing (i.e., deductibles, coinsurance, copays, etc.)</li> </ul>
Program enrollment criteria	<ul> <li>Application process required to gain admittance into program (2023 program open to 2,500 participants)</li> <li>Applications accepted for the upcoming program year during the last quarter of the prior plan year</li> <li>Must meet all criteria for program enrollment, including:         <ul> <li>Continuous enrollment in selected Florida state employee medical plan options during 2 consecutive plan years (including year prior to enrollment in the program)</li> <li>Body Mass Index (BMI) ≤ 27 + one or more co-morbid conditions, or BMI ≤ 30 without comorbidity</li> <li>Age 18 years or older</li> <li>Consent to provide personal and medical information to program administrator (FL Dept of Management Services)</li> <li>Referred and supervised by in-network physician during year prior to enrollment in the program</li> <li>Agreement to participate in a wellness program and submit 2 progress reports (signed by supervising physician) during program year</li> </ul> </li> </ul>
Results	Do not appear to be readily available online for pilot as a whole – individual member testimonials available in employee- facing materials suggest at least some program participants have successfully lost a meaningful amount of weight

Source: https://www.mybenefits.myflorida.com/health/weight\_management\_pilot\_program

# Weight management program considerations

### Models from other states

#### Connecticut

Length of time offered	Since July 1, 2023
History behind offering	<ul> <li>Prior to effective date, weight management medications were covered under CT state employee health plan</li> <li>In 2022, about one-third of plan participants using GLP-1 diabetes medications (about 6,000 members) had no previous diabetes diagnosis, meaning the drugs were likely being prescribed off-label to treat obesity</li> <li>Plan experienced 50% growth in the cost of weight loss medications every year since 2020</li> <li>In 2023 alone, CT state employee health plan expected to spend more than \$30 million on this drug class (across a total of 265,000 employees enrolled)</li> </ul>
Weight management services covered under pilot program	<ul> <li>FDA-approved medications prescribed for chronic weight management</li> <li>Additional care and support from clinicians with expertise in obesity, such as virtual nutrition counseling and weight loss coaching (delivered via online clinical lifestyle management program)</li> </ul>
Program enrollment criteria	<ul> <li>Must enroll in online clinical lifestyle management program, called Flyte, which is administered by CT-based start-up Intellihealth</li> <li>Weight loss medication prescribing is managed through this program</li> </ul>
Results	Not yet available – expected in May 2024
Early lessons learned	<ul> <li>Opportunity to leverage state's Health Information Exchange to share lab results with lifestyle management program</li> <li>Opportunity to enhance lifestyle management program through use of local clinicians specializing in obesity</li> <li>Opportunity to partner with CT children's hospitals to develop appropriate pediatric treatment (pilot open to adults only)</li> </ul>

wtwco.com

© 2023 WTW. All rights reserved. Proprietary and Confidential. For WTW and WTW client use only. Not suitable for unintended purpose or use by unauthorized recipient.

5

# Weight loss medications

Cost and utilization update, FY24 – data through 9/30/2023

Weight loss medications	July 2023	August 2023 <sup>1</sup>	September 2023	Total FY24 YTD	Original FY24 Cost Estimate <sup>2</sup>
Total Claims (Rx)	346	479	499	1,324	n/a
Total Utilizers (unique count each month)	340	459	485	n/a	n/a
Total Net Cost to Plan (non-Medicare, Commercial plan only)	\$411,119	\$604,109	\$620,448	\$1,635,676	\$1,778,800

- In the first 3 months that these drugs have been covered by the GHIP, net plan cost is already about 92% of the <u>annual</u> cost that was estimated by CVS and presented to the SEBC/Subcommittees earlier this year
  - Initial analysis does not suggest any material shifts in off-label utilization of GLP-1 diabetes medications for weight management to the newly covered class of weight loss medications have taken place in the first 3 months of FY24, but will continue to be monitored
- Per CVS, utilization management criteria aligns with the FDA label for each medication and current clinical guidelines for standard of care and evidence-based clinical literature for weight loss
  - Some variability in the criteria based on age of the patient but generally includes requirements for participation in a comprehensive weight management program and continued adherence to a reduced calorie diet and exercise

Slight adjustment to August 2023 experience compared to data reported at the September 18, 2023 Subcommittee meeting reflects routine claim adjustments that typically occur within 1 month following the date a claim is incurred.
 Original cost estimates were provided by CVS per slide 15 of SEBC meeting materials presented on February 20, 2023 (and revisited with the SEBC on March 6, 2023): <a href="https://dhr.delaware.gov/benefits/sebc/documents/2023/0220-fy24-planning.pdf">https://dhr.delaware.gov/benefits/sebc/documents/2023/0220-fy24-planning.pdf</a>



# Measuring the impact of GHIP weight management resources

Initial considerations on timing of key data points and outcomes

FY24 – FY25	FY26+
<ul> <li>Weight loss medication cost and utilization</li> <li>Off-label utilization of diabetes drugs for weight loss</li> <li>Baseline metrics associated with weight loss medication users: <ul> <li>Average total health care cost/user (member and plan)</li> <li>Utilization of facility-based medical services (e.g., ER, hospital admissions)</li> <li>Comorbid/Chronic condition prevalence</li> <li>Health risk status</li> </ul> </li> <li>Member satisfaction and other feedback on experience using weight loss medications</li> <li>Utilization of other weight management resources such as diabetes prevention programs available through the medical carriers</li> </ul>	<ul> <li>Cost, utilization and member satisfaction metrics noted under FY24 – FY25</li> <li>Clinical and financial outcomes for weight loss medication users such as: <ul> <li>Reductions in BMI, A1c levels, blood pressure (if available)</li> <li>Average total health care cost/user (member and plan)</li> <li>Utilization of facility-based medical services (e.g., ER, hospital admissions)</li> <li>Comorbid/Chronic condition prevalence</li> <li>Health risk status</li> </ul> </li> </ul>

7

## Alignment of GHIP coverage under medical and Rx

Removing barriers to accessing care for members

- GHIP currently excludes coverage of medical care for weight loss, unless co-morbid conditions are present
  - Creates a coverage gap for plan participants who are seeking to fulfill the utilization management (UM) criteria necessary to obtain weight loss medications under the prescription drug plan
- WTW estimated the cost of expanding GHIP coverage for outpatient weight loss care, with input from the medical carriers
  - Initial FY24 estimate of \$383,000 for expanding coverage, assuming an effective date of 1/1/2024 (total of \$765,000 annually)
  - This does not include any estimates of increased utilization through virtual visits with a PCP
- Discussion points for Subcommittee members:
  - Questions about expanding coverage for in-person outpatient weight loss consultations?
  - Is there interest in making a recommendation to the SEBC to consider expanding coverage for these in-person visits?

## Next steps

Weight management strategies

- Continue monitoring cost and utilization associated with weight management medications
- Continue to explore opportunities to leverage medical carriers' care management programs to drive engagement in all weight management resources available to GHIP participants

g