UTILIZATION AND SPENDING IMPACT OF GLP-1 MEDICATIONS IN THE MASSACHUSETTS COMMERCIAL MARKET, 2018–2024

DIANA VASCONES MPH, YUE HUANG MS, LAURA NASUTI MPH, PhD, SARA SADOWNIK MSc, DAVID AUERBACH PhD

MASSACHUSETTS HEALTH POLICY COMMISSION

INTRODUCTION

Glucagon-like peptide 1 (GLP-1) agonists are an increasingly popular class of medications used to treat type 2 diabetes and obesity. The U.S. Food and Drug Administration approved the first GLP-1 agonists in 2005 for the treatment of type II diabetes. Since then, several GLP-1 medications have been approved primarily for type II diabetes and chronic weight management, and new indications continue to be studied and approved.

Compared to other classes of weight loss drugs approved in the past, GLP-1 medications have demonstrated stronger efficacy. In particular, newer drugs with the active ingredients semaglutide (Ozempic, Wegovy) and tirzepatide (Mounjaro, Zepbound) have resulted in an average weight reduction of 10% to 20% in clinical trials. Research found that 1.7% of U.S. patients who had a health care visit in 2023 were prescribed a semaglutide medication, representing a 40-fold increase over five years.[1]

OBJECTIVES

While these drugs have demonstrated strong clinical efficacy for patients and may provide long-term health benefits, trends of increasing GLP-1 prescription cost and volume have raised significant spending and affordability concerns. To inform policy, the Health Policy Commission (HPC) examined key GLP-1 trends in Massachusetts, including utilization, spending, cost sharing, and patient characteristics.

STUDY DESIGN

Using medical and pharmacy data from the Center for Health Information and Analysis' Massachusetts Enhanced All-Payer Claims Database (E-APCD), the HPC analyzed trends in GLP-1 prescriptions and spending between January 2018 and June 2024. The following medications were included: Victoza, Saxenda, Trulicity, Ozempic, Rybelsus, Wegovy, Mounjaro, and Zepbound. Estimates for manufacturer rebates were identified from publicly available sources and applied to gross prices in the claims. Estimates of total spending and total number of prescriptions in Massachusetts reflect extrapolation from the data sample available in the E-APCD to the full commercially-insured population in Massachusetts.

One important limitation of this analysis is that it only identifies GLP-1 medications billed to commercial insurance and, consequently, cannot account for people who are paying for GLP-1 drugs entirely out of pocket, whether prescribed by traditional providers or through direct-to-consumer online telehealth providers. Therefore, these estimates may be underestimates.

RESULTS

Between January 2018 and June 2024, the proportion of commercial members who were prescribed a GLP-1 medication increased dramatically. In the first six months of 2024, 4.1% of Massachusetts commercial members were prescribed a GLP-1 drug, an eight-fold increase from 2018, when 0.5% of members were prescribed one of these medications (**Exhibit 1**). Including a projected number of prescriptions between July and December 2024, the HPC estimated that 458,000 GLP-1 prescriptions were filled among just under 4 million commercially-insured members in Massachusetts in 2024.

As a result, total net commercial spending on GLP-1 drugs that year was projected to amount to roughly $270 million in Massachusetts. Spending on these medications represented a notable proportion of pharmacy spending overall: in 2023 (the latest full year of data), spending on GLP-1 drugs among commercial members accounted for 5.5% of net commercial pharmacy spending overall.

During this time period, the composition of GLP-1 prescriptions shifted toward products indicated for weight loss (Wegovy, Saxenda and Zepbound), increasing from 6% of GLP-1 prescriptions in 2018 to 51% in the first six months of 2024 (**Exhibit 2**). The share of patients primarily using GLP-1 drugs for weight loss is likely even higher due to certain products indicated for type 2 diabetes being prescribed "off-label" for weight loss (such as Ozempic).

Commercial members prescribed drugs indicated for weight loss were more likely to be younger, female, living in higher income areas, living in metro areas, and with a prior diagnosis of overweight/obesity.

Patient cost sharing for a one-month supply of GLP-1 medications ranged from $54 for Victoza to $94 for Zepbound during the first six months of 2024 (**Exhibit 3**). Cost sharing was highest for drugs indicated for weight loss.

EXHIBIT 1. Percent of commercially-insured members who had a prescription for at least one GLP-1 medication that year, 2018–2024

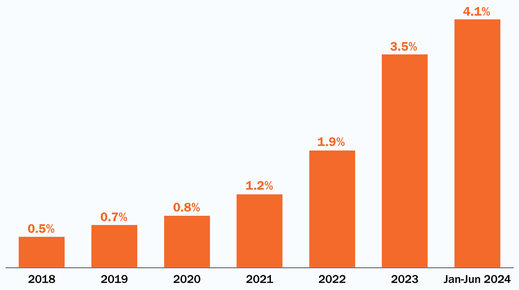
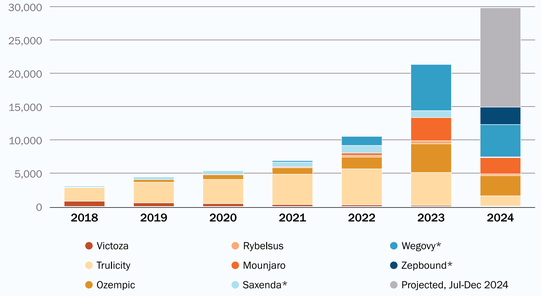
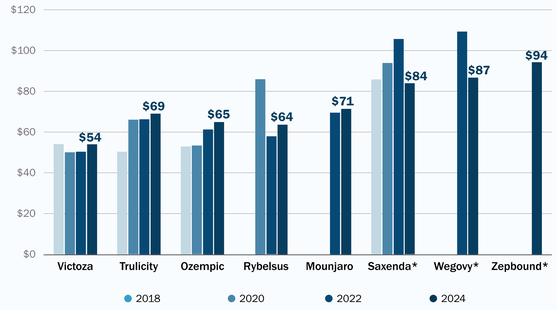


EXHIBIT 2. Number of prescriptions for selected GLP-1 drugs per 100,000 commercially-insured residents aged 18-64 by year, 2018–2024



Notes: * denotes drugs indicated for chronic weight loss.

EXHIBIT 3. Average commercial cost sharing for a one-month supply of GLP-1 medications by brand, 2018–2024



Notes: * denotes drugs indicated for chronic weight loss.

CONCLUSIONS

Use and spending for GLP-1 medications grew exponentially in the Massachusetts commercial market from 2018 to 2024, especially for drugs indicated for weight loss. Spending on these drugs accounted for a significant portion of commercial pharmacy spending overall. In Massachusetts, more than 1.5 million people have obesity, representing a significant pool of potential patients. Utilization of these drugs will almost certainly increase, as manufacturers ramp up production in response to shortages and seek new indications for approval. Dozens of clinical trials are underway that explore the use of GLP-1 agonists for other conditions, such as liver disease, kidney disease, alcohol use disorders, polycystic ovary syndrome, sleep apnea, and Alzheimer's.

POLICY IMPLICATIONS

As utilization for these drugs is expected to continue growing in Massachusetts and nationwide, concerns regarding spending will likely escalate. To balance patient access, affordability, and financial sustainability of the health care system, payers and employers will continue to grapple with coverage policies, including the use of utilization management tools. Proponents for wider GLP-1 access have cited the long term health benefits of weight loss and potential health care savings; however, no empirical evidence to date directly links the use of GLP-1 medications to reductions in other health care spending. Notably, GLP-1 prices are significantly lower in peer countries, highlighting the need to focus on prices in ongoing policy discussion about these medications.

CONTACT

Yue Huang, MS
Senior Manager
Research and Cost Trends, Health Policy Commission
yue.huang@mass.gov

David Auerbach, PhD
Senior Director
Research and Cost Trends, Health Policy Commission
david.auerbach@mass.gov

MassHPC.gov

1. CNN. "Prescriptions for popular diabetes and weight-loss drugs soared, but access is limited for some patients." Sep 27, 2023. Available at: https://www.cnn.com/2023/09/27/health/semaglutide-equitable-access/index.html