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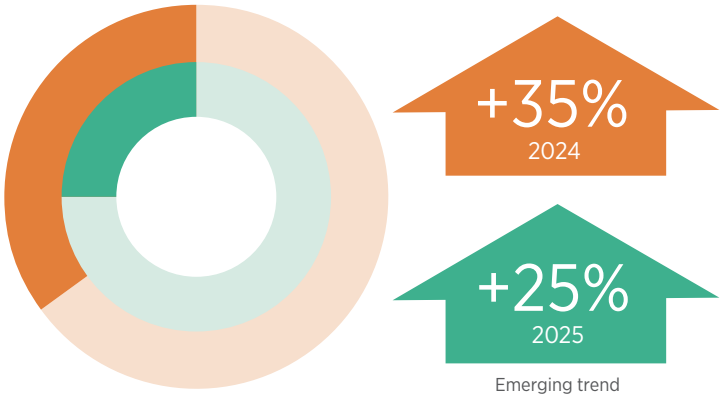
Weighing the Cost: Do GLP-1s Reduce Medical Spend?

GLP-1 (glucagon-like peptide-1) medications have seen a sharp rise in use and cost.

Now among the top pharmacy spend drivers, they pose a growing challenge for employer-sponsored health plans. Understanding their impact is essential for managing long-term healthcare costs and ensuring sustainable benefits strategies.

GLP-1 drug class spend



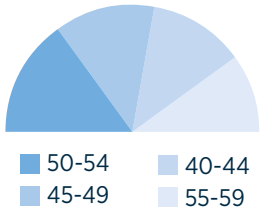
GLP-1s do lead to improved health outcomes*

DIABETES PATIENTS		OBESITY PATIENTS
18%	Annual avoided heart attacks	21%
9%	Annual avoided hospitalization	10%
6%	Annual avoided ER visits	1%

Study of diabetes and overweight population utilization*

8% Lower Medical Trend

Demographics matter when it comes to GLP-1 utilization



Utilization of GLP-1 medications, especially for weight loss, is highly concentrated for ages **40 to 60** and higher female population.

THE BOTTOM LINE

GLP-1 medication management is complex. While it can improve health outcomes, **current costs outweigh the medical spend reduction**. Numerous factors need to be considered in developing a tailored strategy for your organization.

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*Based on a 3-year study comparing GLP-1 utilizers vs non-utilizers.
Data Source: Gallagher Analytics Research Database.

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