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In the Loop

Report Finds Weight Loss Drugs Key Driver of 2025 Health Care Cost Increase

A recent Business Group on Health (BGH) survey found that heightened interest and spending on glucagon-like peptide-1 (GLP-1) drugs is a major driver of rising health care costs in 2025. The medications were traditionally used to treat diabetes but are now in demand for weight loss.

GLP-1 drugs are costly for Americans and employers alike. On average, treatment costs around \$1,000 per individual each month, and due to the indefinite nature of the treatment, this can add up significantly.

Large employers surveyed by BHG predicted their health care costs would rise about 7.8% in 2025 before plan design changes, mostly due to pharmacy costs. More than half (57%) of the respondents said that GLP-1 spending was “driving health care costs to a great or very great extent.” Employers also said they won’t reduce benefits and plan to absorb most of the costs themselves instead of passing them on to their employees.

An estimated 9% of the U.S. population could be on GLP-1 medications by 2030, according to an analysis by investment bank J.P. Morgan.

Learning More About Weight Loss Drugs

Maintaining a healthy weight is essential for overall health. It can help you avoid expensive medical treatments and prevent you from developing chronic health conditions. Understanding how weight loss drugs work, including potential side effects and costs, can empower you to make an informed decision about your health.

Speak to your health care provider to find out if prescription weight loss drugs could be right for you. Your health care provider may discuss your medical history, family history, medication history and other health challenges. They may also discuss the pros and cons of taking prescription weight loss medication, as well as alternatives to weight loss drugs.

Reach out to HR for more information about weight loss drugs and other alternatives and to determine whether your health plan covers them.



White House Announces Results of Medicare Drug Price Negotiations

Recently, the Department of Health and Human Services (HHS) reached agreements with top drug-makers to lower prices for the first 10 drugs subject to Medicare price negotiations. After months of negotiation beginning last October, the agreed-upon drug discounts range between 38% and 79%. The new pricing for Medicare Part D enrollees goes into effect on Jan. 1, 2026.

Under the Inflation Reduction Act, the Medicare Drug Price Negotiation Program allows the government to negotiate directly with drug manufacturers to improve access to some of the costliest brand-name drugs. The following Medicare Part D drugs will be the first ones subject to these negotiations:

- **Eliquis**—Prevents and treats blood clots
- **Jardiance**—Treats diabetes and heart failure
- **Xarelto**—Prevents and treats blood clots; also reduces risks for patients with coronary or peripheral artery disease
- **Januvia**—Treats diabetes
- **Farxiga**—Treats diabetes, heart failure and chronic kidney disease
- **Entresto**—Treats heart failure
- **Enbrel**—Treats rheumatoid arthritis, psoriasis and psoriatic arthritis
- **Imbruvica**—Treats blood cancers
- **Stelara**—Treats psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis
- **Fiasp/NovoLog**—Treats diabetes

Many Medicare Part D enrollees depend on medications to treat life-threatening conditions, such as diabetes and heart failure, but may not be able to

access them due to costs. HHS reported that people with Medicare prescription drug coverage are expected to see aggregated estimated savings of \$1.5 billion in their out-of-pocket costs in 2026.

The Peterson-Kaiser Health System Tracker found that 3.4 million employees, in addition to Medicare recipients, used at least 1 of the 10 newly negotiated drugs.

What's Next?

The Medicare Drug Price Negotiation Program aims to lower out-of-pocket costs for millions of seniors and offer savings for taxpayers. The new pricing is effective Jan. 1, 2026, and Medicare will select up to 15 more drugs covered under Part D for negotiation in 2027 by Feb. 1, 2025. As the Inflation Reduction Act requires, Medicare will next select up to 15 more drugs covered by Part B or Part D in 2028 and up to 20 more drugs each year after that.

To learn more about the recent drug negotiations, visit [CMS.gov](https://www.cms.gov).