

# Big Pharma's High-Stakes Gamble on Weight Loss Drugs



There has been a recent exponential growth in the popularity of brand-name weight loss and diabetes drugs, also known as glucagon-like peptide 1 drugs or GLP-1s. With serious side effects and unknown consequences, drug manufacturers are going all-in on the multi-billion dollar weight loss industry. But the surge in sales, popularity, and prevalence of these drugs, coupled with the high prices set by Big Pharma, and a lack of research regarding their long-term usage, is poised to have a staggering effect on patient safety and health care costs.

*Any decision to mandate coverage without clinical safeguards of medical necessity will lead to significant cost impacts on the health care system – including for employers, health plan members, and state and federal governments.*



**Never have so many Americans been eligible for such a high-priced drug – and Big Pharma is ready to seize the opportunity.**

With a growing list of potential health benefits from brand-name weight management and diabetes drugs, along with an exponential growth in demand, drug manufacturers are motivated to keep the costs of these medications high through whatever means necessary, including limiting generic competition or limiting the supply of the drugs.

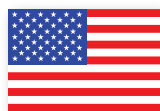
- In just the past year, total prescriptions for popular weight loss drugs have nearly **quadrupled**.
- KFF polling found about **half of adults in the U.S.** would be interested in taking brand-name weight management drugs.\*
- **130 million Americans** could qualify for Ozempic or similar drugs at the current cost of **\$12,000 per year**.
- If just **10 percent** of Medicare beneficiaries had weight loss drugs covered, it could cost up to **\$26.8 billion per year**, driving up premiums.

**While these drugs offer promising results for a variety of conditions, the consequences of long-term use – both for the patient and for overall health care costs – are unknown.**

- These medications are indicated for chronic conditions; thus, covering them is not a short-term cost, whereas bariatric surgery is frequently covered by employers and health plans.
- At an average cost of **\$12,000 per member per year**, long-term use will be an enormous health care cost driver.
- Weight loss drugs have not existed long enough to determine long-term side effects for what may be a lifetime of usage. In the short term, weight loss drugs have documented adverse side effects that have been life-threatening to patients.

## A Cost Comparison – United States Vs. Peer Nations

Americans are paying a massive premium for weight loss drugs compared to peers. Drug prices are more than **20x the cost** of production in the United States, where the estimated minimum price for Ozempic (Semaglutide) is just \$40 ([source](#)).



In America, weight loss drugs range from **\$936 to \$1,349** for a one month supply.



In Switzerland, the cost is just **\$147**.



Germany and the Netherlands pay as little as 10% of the US price, with costs ranging from **\$103 to around \$300** for a month supply. ([source](#))

# Drug manufacturers are coming for their cut of the multibillion-dollar weight loss industry

Protections must be put in place to guard against drug makers creating a huge financial burden on patients and the health care system and slowing supply to those who really need these medications.

- According to an analysis by Trilliant Health, the current utilization patterns of GLP-1s are not correlated with clinical disease, with 43.8% not having a recorded type 2 diabetes diagnosis. ([source](#))
- 47% of patients who used their insurance to pay for a GLP-1 may have gotten their prescription without a typical doctor visit billed to insurance.
- Think manufacturer coupons will help? They can make drugs more affordable for a short time, only to run out and leave patients without affordable access.



## What's Big Pharma saying about their new favorite drugs?

Despite the high costs of these drugs and their potential risks to patients and health care affordability, Big Pharma is going all-in and not hiding their eagerness to cash-in. ([source](#))

***"We're going full guns on this."***

***"If we can accelerate, we will."***

***"I don't know if it's \$90 billion or \$80 billion or \$50 billion. Does that really matter in the end?" he said. "Even just 10% of that market size is a very significant slice of the pie."***

***"Many of them will probably experience some regression of their weight back toward baseline and this could prompt them to come back on the drug."*** ([source](#))

~ A Big Pharma scientific advisor stated, regarding long-term usage of GLP-1 drugs.

While research shows these weight loss drugs could potentially treat a number of serious conditions, the unknown long-term side effects, high cost per treatment, and supply challenges could have serious implications for the health care system.

Clinical safeguards and tight regulation over prescribers and utilization of these drugs are needed. We must hold big pharma accountable for their egregious drug pricing tactics. Otherwise, the high demand and high price of the drugs will lead to substantial increases in health care costs across the board as well as an equity issue for those who need affordable access to the drugs.