



Results from New Executive Survey on GLP-1s and Lifestyle Intervention Programs | July 2023

How Health Plan Leaders Are Handling the GLP-1 Cost Crisis

Introduction from Dr. Adam Wolfberg, Chief Medical Officer, Virta Health



For years, we've tried to treat obesity and type 2 diabetes with medications that merely preserve the status quo. We've prescribed ineffective diet and exercise programs and failed to give patients the support required to change behaviors. As medical professionals and health plan leaders, we have to look at the continued growth in prevalence and worsening outcomes and recognize that these traditional approaches are failing the people we have committed to care for.

There has been an exponential increase in the media coverage of glucagon-like peptide 1 drugs, commonly known as GLP-1s. These drugs aren't new—they've been around for the last twenty years and have clinical indications for patients with type 2 diabetes. But as indications for these drugs expand to patients with obesity, consumers have been inundated with targeted content, from TikTok videos showcasing celebrity weight loss to 60-minute specials showcasing the future of GLP-1s as a revolution in obesity care. Almost overnight, "digital pill mills" have emerged to offer consumers a new way to fulfill this need, often with a questionable level of provider oversight.

At the same time, we have scientific evidence that these diseases can be reversed in a safe, sustainable way without medication, calorie counting, or surgery. It requires personalization to the individual and their biochemical and social needs. It also involves a nuanced approach that addresses key social determinants of health, minimizes the shame a person might feel towards their body, and maximizes their ability to sustain their weight loss long term.

We are in a unique time in history, which is why we at Virta want to shine a light on what industry leaders think about this complex topic. We hope you find the results that follow to be informative and insightful.

Should you wish to discuss, debate, or dig in deeper, please contact us at partner@virtahealth.com.

In good health,

Dr. Adam Wolfberg

Obesity and Diabetes: From Concern to Crisis

3 Factors Contributing to the Crisis

Obesity and diabetes have moved from a troubling concern to a threatening crisis for these 3 reasons:

01

The “Diabesity” Epidemic

Obesity is the most prevalent chronic disease in the world, impacting 650 million adults globally.¹ People with obesity are 3x more likely to develop type 2 diabetes² and 90% of people with diabetes live with excess weight or obesity³. These conditions are inexorably linked, creating concerns for a compounded “diabesity” epidemic with nearly half the US adult population expected to be obese by 2030⁴.

02

A Health Equity Issue

Obesity and diabetes disproportionately impact Black and Brown communities and those of lower socioeconomic advantage. Additional social factors also play a key role, impacting the chance a person will develop diabetes and experience complications. Without solutions that address these Social Determinants of Health (SDoH), health equity gaps will continue to widen.

03

The Growing Rx Cost Crisis

As this disease epidemic grows, so does the related Rx cost crisis. GLP-1s, the newest entrant into an array of medications indicated to treat both type 2 diabetes and obesity, cost an average of \$12,000–15,000 per patient per year⁵, and are to be used in perpetuity to sustain weight loss.⁶

1 One Billion People Globally Estimated to be Living with Obesity by 2030, World Obesity Atlas, 2022.

2 Cameron NA et al. Quantifying the Sex-Race/Ethnicity-Specific Burden of Obesity on Incident Diabetes Mellitus in the United States, 2001 to 2016: MESA and NHANES. *J Am Hear Association Cardiovasc Cerebrovasc Dis.* 2021; 10, e018799.

3 Centers for Disease Control and Prevention, National Diabetes Statistics Report, 2020. <https://www.cdc.gov/diabetes/data/statistics-report/risks-complications.html>.

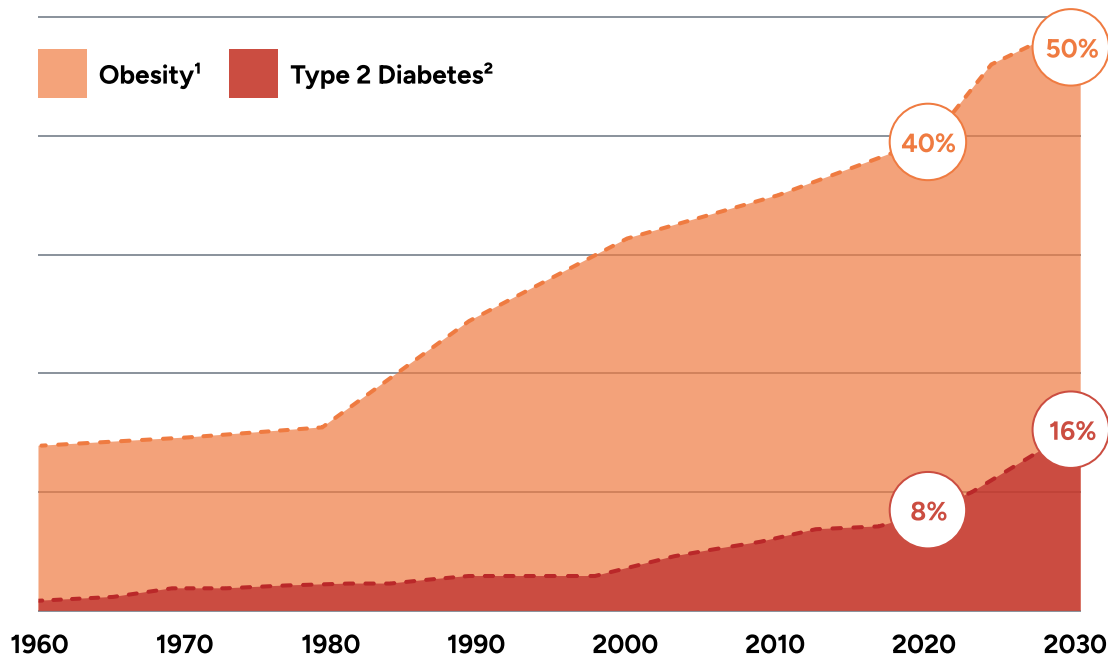
4 Projected U.S. State-Level Prevalence of Adult Obesity and Severe Obesity,” Zachary J. Ward, Sara N. Bleich, Angie L. Craddock, Jessica L. Barrett, Catherine M. Giles, Chasmine Flax, Michael W. Long, and Steven L. Gortmaker, *New England Journal of Medicine*, December 19, 2019.

5 Novo Nordisk; list price. <https://www.novocare.com/wegovy/let-us-help/explaining-list-price.html> –\$1309.42 per package. Accessed 10/18/22.

6 Market Watch, “Bank of America: Lilly’s tirzepatide could be the first \$100 billion drug,” October, 2022.

The State of Metabolic Health Today

Type 2 Diabetes and Obesity Prevalance Over 50 Years



89%

of people with type 2 diabetes will experience at least 2 other chronic conditions³

3x

People with obesity are 3x more likely to develop type 2 diabetes⁴

90%

of people with type 2 diabetes live with excess weight or obesity⁵

2.3x

Medical expenditure for adults with diagnosed diabetes⁶

- 1 Flegal KM, Carroll MD, Ogden CL, Johnson CL. Prevalence and Trends in Obesity Among US Adults, 1999-2000. JAMA. 2002;288(14):1723-1727. doi:10.1001/jama.288.14.1723
- 2 Ward ZJ et al. "Projected U.S. State-Level Prevalence of Adult Obesity and Severe Obesity," New England Journal of Medicine, December 19, 2019
- 3 Iglay, Kristy et al. "Prevalence and co-prevalence of comorbidities among patients with type 2 diabetes mellitus." Current medical research and opinion vol. 32,7 (2016): 1243-52. doi:10.1185/03007995.2016.1168291.
- 4 Cameron NA et al. Quantifying the Sex-Race/Ethnicity-Specific Burden of Obesity on Incident Diabetes Mellitus in the United States, 2001 to 2016: MESA and NHANES. J Am Hear Assoc Cardiovasc Cerebrovasc Dis. 2021; 10, e018799.
- 5 Centers for Disease Control and Prevention, National Diabetes Statistics Report, 2020. <https://www.cdc.gov/diabetes/data/statistics-report/risks-complications.html>
- 6 Source: <https://diabetes.org/about-us/statistics/cost-diabetes>.

Respondent Demographics

80 respondents comprised of both clinical and non-clinical health plan leaders and key decision makers:

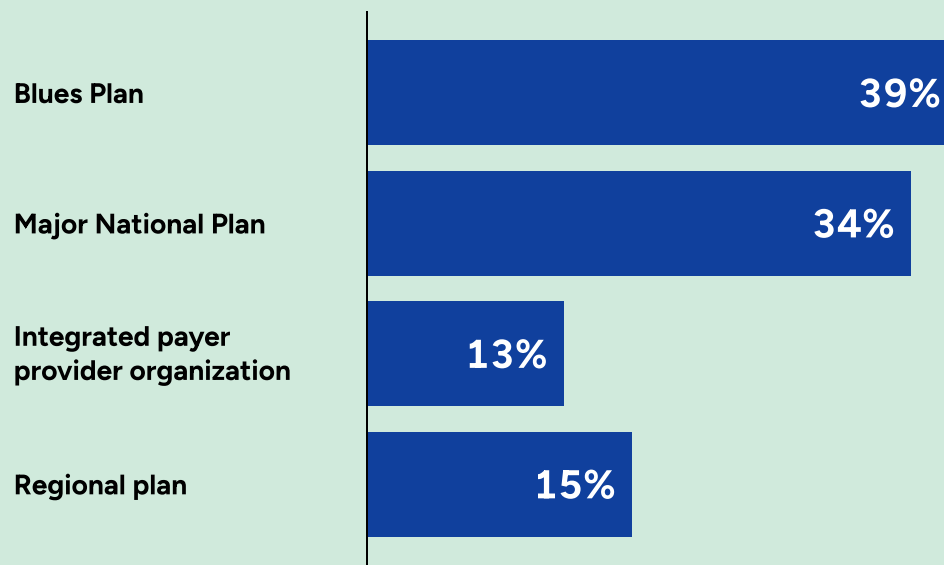
58% Clinical Leaders

Medical Director	24%
CMO, Company	13%
CMO, Region	6%
VP of Clinical Programs	9%
Chief Clinical Officer	6%

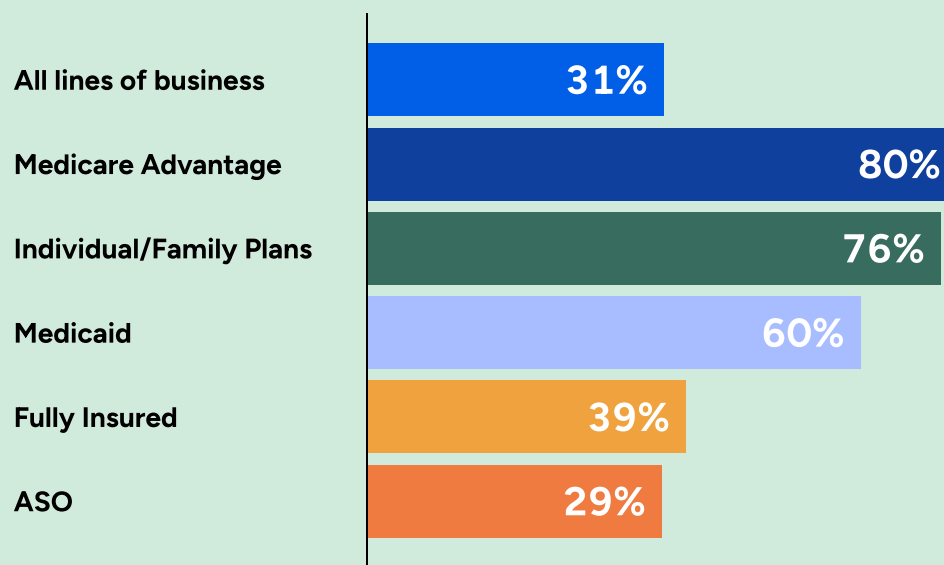
42% Non-Clinical Leaders

VP of Actuarial Services	14%
Chief Actuary	8%
VP of Product	5%
Chief Pharmacy Officer	6%
VP of Pharmacy	4%
President	5%

Respondents by Health Plan Type (n=80)



Lines of Business for Which Respondents are Responsible (n=80)



Key Survey Findings

- 01** **Diabetes and obesity are #1 and #2 concerns** of health plan leaders in 2023 because of rising costs and downstream health impact.
- 02** **100% of executives are concerned about GLP-1 growth** for both diabetes and obesity indications. 70% of health plan leaders cite concerns that current trends will lead to an increase in spend of GLP-1s among members with type 2 diabetes.
- 03** Surge in **consumer and prescriber interest in GLP-1s is overwhelming** health plans' ability to manage cost. 80% are concerned about utilization growth.
- 04** Health plan leaders **need a mix of utilization management strategies** to address the GLP-1 cost tsunami, including lifestyle programs that deliver sustainable behavior change.
- 05** With the proliferation of new solutions in response to the growing obesity market, health plan leaders are **struggling to find lifestyle interventions with clinically proven outcomes**.

**The metabolic health
crisis and the meteoric
rise of GLP-1s**

Diabetes and obesity are #1 and #2 concerns

When considering prevalence, pharmacy costs, emergency department visits, and medical spend, **diabetes and obesity are the top concerns of health plan leaders in 2023**, even over cancer, cardiovascular, MSK and mental health.

Top Concerns of Health Plan Leaders in 2023 (n=80)



4 in 5 execs are significantly concerned about GLP-1 utilization and cost growth

Every health plan leader surveyed said they are concerned about the rising cost and utilization of GLP-1s for obesity and weight loss.

80% expressed significant concern, which is a reflection of a rising wave of consumer demand for GLP-1s.

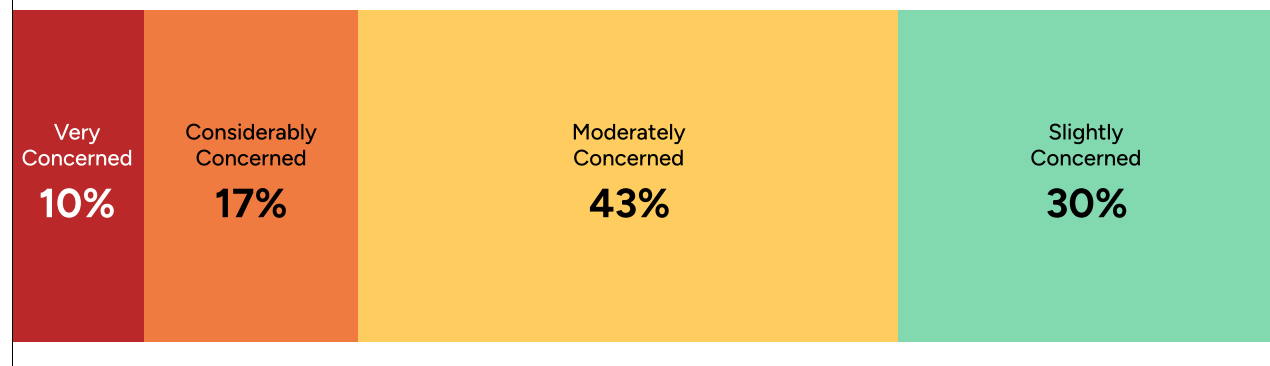
GLP-1s are clinically indicated as a first line therapy for patients with type 2 diabetes, especially for their impact on comorbid conditions like cardiovascular disease or chronic kidney disease.

Health plan leaders worry that this rise in utilization for obesity and weight loss will drive overall market demand, increasing GLP-1 costs for members with type 2 diabetes.

All leaders are concerned about rising cost/utilization of GLP-1s for obesity and weight loss (n=80)



All leaders worry that GLP-1 usage for obesity and weight loss indications will lead to an increase in utilization for type 2 diabetes (n=80)



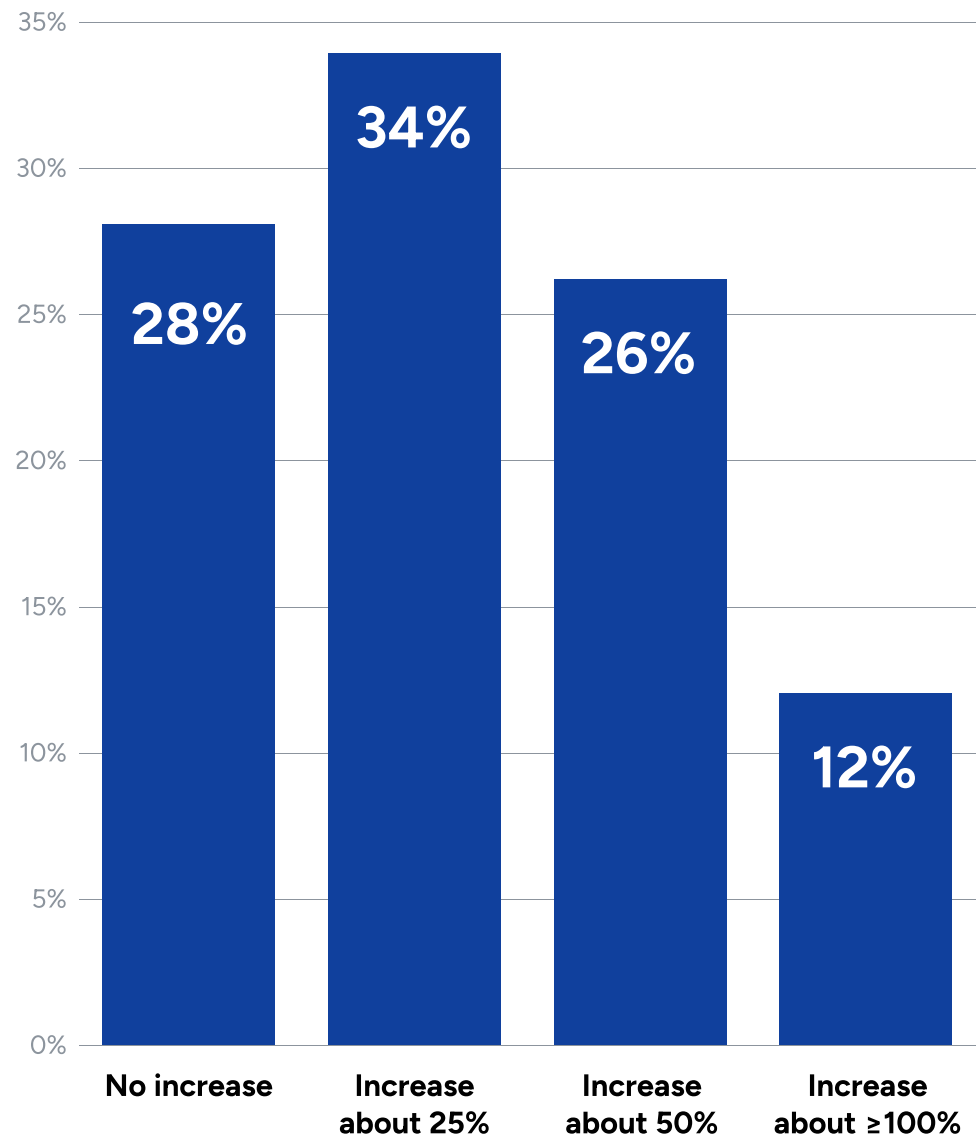
0% responded "not at all concerned" for both questions

72% of health plan leaders expect GLP-1s to grow by 25% or more in 2023

Health plan leaders are already seeing the impact of increased GLP-1 utilization with 72% saying they expect a 25% or more increase in 2023 alone. **This could upend an organization's cost of care models, significantly increase pharmacy costs and threaten profitability and growth for the next decade.**

Pharmaceutical manufacturers, like Pfizer, have even more ambitious predictions, saying, "We're going full guns on this" (Bill Sessa, chief scientific officer at Pfizer's Internal Medicine Research Unit¹). New oral GLP-1s are entering the drug pipeline in order to capitalize on growing market share. And Bank of America analyst, Geoff Meacham, predicts that **GLP-1 Mounjaro could be the first \$100 billion drug, which is 4–5x the current best selling drug, Humira.**²

Expected Increase in Utilization of GLP-1 Prescriptions for Obesity and Weight Loss in 2023 (n=80)



1 Reuters, "Novo Nordisk rivals see room to compete in \$100 billion weight-loss drug market," May 4, 2023

2 Market Watch, "Bank of America: Lilly's tirzepatide could be the first \$100 billion drug," October, 2022.

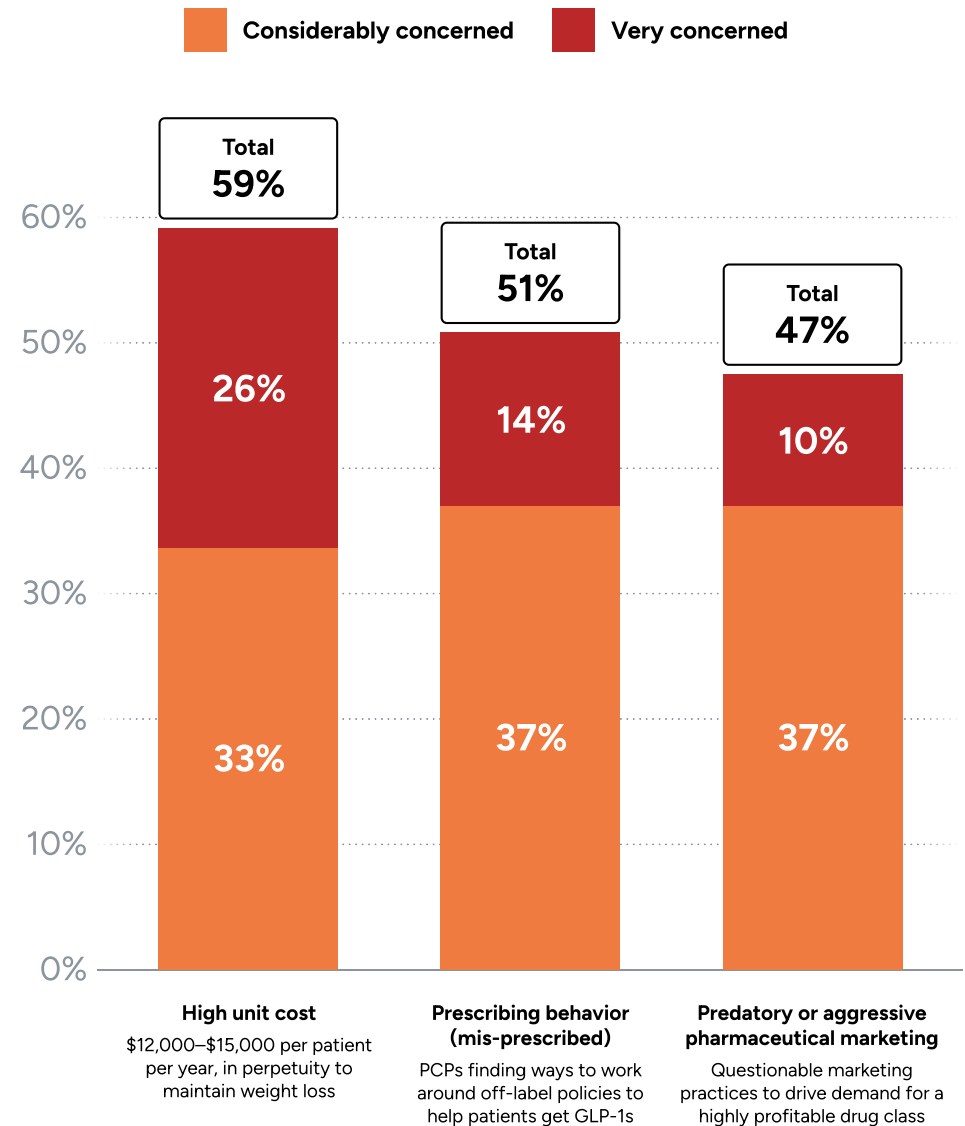
Health plan leaders are most concerned about GLP-1 costs for weight loss and obesity

85% of health plan leaders report having policies in place to restrict off-label utilization of GLP-1s, like Ozempic, for weight loss. But in many cases, these are simply attestations and **health plan leaders say that PCPs are finding creative ways to get patients into an approved GLP-1 therapy.**

In some cases, health plan leaders are sending GLP-1 claims without prior evidence of type 2 diabetes to fraud, waste and abuse departments for further evaluation. Anecdotally, **leaders are seeing a surge in type 2 diabetes diagnoses and GLP-1 prescribing for both diabetes and obesity members.**

This is in addition to the **concerning rise in “digital pill mills”** that aggressively target consumers and prescribe GLP-1s for weight loss, regardless of clinical need.

Top 3 concerns of health plan leaders around GLP-1s for weight loss (n=80)



**How plans are
preparing for the
GLP-1 cost tsunami**

The unit cost of GLP-1s for obesity and type 2 diabetes will be staggering for health plans and employers

Despite having policies in place to restrict off-label utilization, **the surge in sales, popularity, and prevalence of GLP-1s is poised to create staggering costs for employers and health plans.** Many of these drugs are already in drug formularies and as coverage and approval for these drugs expands, employers and health plans need to deploy strategies to manage costs.




Of the four most popular GLP-1 drugs, only Saxenda and Wegovy have been authorized for weight loss, although Mounjaro is expected to receive FDA approval for weight loss imminently. These daily or weekly injectable drugs can deliver significant weight loss, even up to 20%. But they are extremely expensive.

A typical employer's drug spending could increase by more than 50% if half of employees who were eligible for Wegovy were to take it, WTW estimates.

				
Weight Loss Results	After 56 weeks, 7% bodyweight	After 40 weeks, 7% bodyweight	After 68 weeks, 15% bodyweight	After 72 weeks, 16–22.5% bodyweight
List Price	\$1,349 PPPM	\$892 PPPM	\$1,349 PPPM	\$1,023 PPPM
Formulary Coverage (2022)	>80%	>90%	>80%	>45%

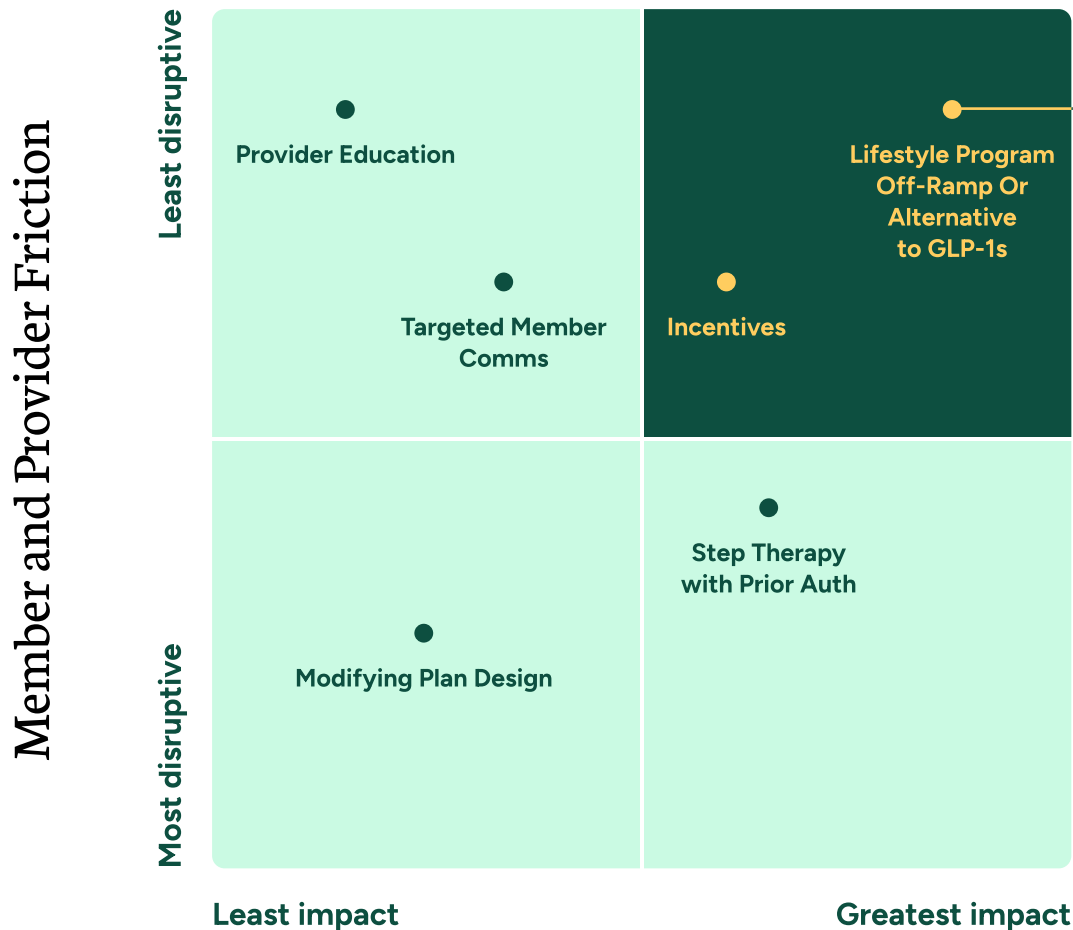
How are health plan leaders trying to contain the GLP-1 cost tsunami today

Based on cost predictions and prior experience with interventions like bariatric surgery, **health plan leaders are experimenting with a wide range of existing and new utilization management strategies to minimize costs while they figure out coverage.**

Strategy	What is it?	% in Place Today According to Respondents (n=80)
Provider Education	Provider education on therapeutic alternatives like lifestyle intervention programs	 59%
Member Communications	Targeted member communications to increase awareness of alternative options	 54%
Food as medicine programs	Providing food as medicine programs and benefits, like food boxes	 51%
Combination therapy	Combination therapy such as prescribing GLP-1s in conjunction with a lifestyle program, with a goal of deprescription	 43%
Step therapy	Step therapy using prior authorization to ensure appropriate access	 41%
Plan design changes	Modifying plan design to encourage alternative treatments	 40%
Incentives	Offering incentives like premium discounts and financial rewards to utilize alternative treatments in lieu of GLP-1s	 39%

Balancing GLP-1 access, cost and member friction

Each strategy comes with a unique set of considerations. While there can be trade offs associated with each approach, **health plan leaders can still prioritize solutions that maximize cost savings while minimizing poor experiences and ensuring members who need GLP-1s have access.**



Virta is clinically proven to deliver 13% weight loss at 1 year—without expensive GLP-1s¹

- Virta is a drug-free, cost-effective pathway to rapid and sustained weight loss
- As experts in deprescription, Virta provides an off-ramp from GLP-1s to sustained behavior change for members with obesity and type 2 diabetes, alike

¹ Virta 13% weight loss: McKenzie AL, et al. Nutrients. 2021; 13(3):749. Outcomes among one year completers

Clinical Outcomes and Financial Impact

“Everyone is talking about the success of GLP-1s for obesity, **but no one is vocalizing how important it is to pair lifestyle intervention programs with them.** These programs are the important ingredient in long term sustainability when it comes to addressing excess weight.

If we want members to truly be successful with weight management, we have to help them develop lifelong skills so they can reach and sustain their optimal level of health.”

Gina Conflitti, MD

Former Chief Medical Officer

CIGNA Medicare

**Health plan leaders
want cost containment
and proven lifestyle
interventions**

GLP-1s work as an adjunct to diet and exercise, leaders want more sustainable lifestyle interventions

While much has been touted about the weight loss outcomes of GLP-1s, **it's believed the drugs will need to be taken for the rest of an individual's life to maintain these changes.** At an average cost of \$12,000-\$15,000 per member per year, this is an enormous cost burden to the health plan sponsor.

Another concern that doesn't receive much air time is the FDA guideline for GLP-1s which direct that the drug therapy be paired with lifestyle changes, including exercise and a calorie-restricted diet.

To control the rising costs of GLP-1s, **health plan leaders want utilization management strategies that offer members a successful off-ramp from these drugs** to sustainable weight loss.

What are the top goals for utilization management of GLP-1s for obesity and weight loss?

Rank order results by respondents (n=80)

- 1 Encouraging sustainable lifestyle modifications
- 2 Safer prescription practices
- 3 Improved safety for members
- 4 Offering more choice for members
- 5 Improved efficacy for members
- 6 Avoiding increased pharmacy costs
- 7 Better adherence

When faced with staggering Rx costs, how do health plan leaders feel about lifestyle programs?

As health plan leaders debate how their investments into lifestyle interventions can be used to successfully combat the GLP-1 Rx cost crisis, three key personas emerge:

	Advocate 34%	Interested 35%	Skeptic 31%
Beliefs and Concerns	<p>Already investing in lifestyle programs today to:</p> <ul style="list-style-type: none"> • Address the root cause of a disease • Drive safe, sustainable behavior change • Satisfy member choice • Improve clinical and financial outcomes 	<p>Believe lifestyle programs are good in theory, but too complex to operationalize in the real world. They want programs with:</p> <ul style="list-style-type: none"> • Significant personalization • A track record of operational excellence • Validated clinical outcomes to alleviate their concerns 	<p>Curious about lifestyle programs, but skeptical of clinical outcomes, especially in the long term:</p> <ul style="list-style-type: none"> • Burned by expensive programs that didn't work and nervous to invest more • Feel overwhelmed by a noisy, crowded marketplace
Respondents Say	<p><i>"They've already shown positive outcomes so far, not only for physical health but also mental health."</i></p>	<p><i>"The effectiveness and success of lifestyle intervention programs may vary depending on the circumstances of individuals and may not be suitable for all members."</i></p>	<p><i>"The success rate is not up to the mark and nowhere meets our expectations."</i></p>

Skepticism is prevalent as lifestyle intervention programs proliferate and ROI claims heat up

As pharmaceutical options emerge to treat obesity and new and recycled lifestyle interventions pop up, 31% of respondents said they're skeptical of the clinical outcomes and effectiveness of lifestyle programs.

Questioning outcomes is a natural reaction, but of the leaders with lifestyle programs in place today, **88% plan to continue their investment because of beneficial economic results, patient satisfaction and elimination or reduction of medications.**

Annual medical costs for patients with obesity are \$2,000-3,000 more than a person in good metabolic health¹. A patient with diabetes has an average of \$9,600 more in medical costs per year². Neither of these figures account for comorbidities or major complications like amputation. **Leaders cannot afford inaction given the steep growth projections for obesity and diabetes prevalence.**

“This is a long game. Without lifestyle intervention, none of these drugs—be it GLP-1s, insulin or the next drug—will work to help you improve overall cost and quality.”

Ken Mishler, PharmD, MBA

Former Chief Pharmacist

Blue Cross and Blue Shield of Kansas

1 Association of body mass index with health care expenditures in the United States by age and sex Zachary J. Ward ,Sara N. Bleich,Michael W. Long,Steven L. Gortmaker.

2 American Diabetes Association; Economic Costs of Diabetes in the U.S. in 2017. Diabetes Care 1 May 2018; 41 (5): 917–928.

Top reasons respondents like their lifestyle intervention programs (n=80)

What respondents like about their lifestyle intervention programs:

Remission success rate and transformative clinical outcomes

Sustained behavior change

Normalized blood sugar and reduction and elimination of medication

A truly personalized approach made convenient to the member's needs

Health Plan Leaders love Virta

"The smartest thing I've done in the past year is set up a partnership with Virta Health."



Tom Grote
Chief Executive Officer
Banner|Aetna

"The health outcomes we've seen among members with diabetes who have used Virta have been dramatic. Members often see a real improvement in the quality of their health, life, and optimism about the future. Many have been able to reduce or eliminate their diabetes medications, including insulin, with Virta."



Dr. Susan Fleischman
Chief Medical Officer
Blue Shield of California

“The adoption of reversal is a paradigm shift for plans. We’ve just focused on management in the past, so this is a big change in thinking and it’s rooted in lifestyle interventions which need to be more widely embraced.

Reversal makes financial sense for plans, but also really increases quality of life for members and can successfully control out of pocket expenses.”

Brian Burns

Former SVP, Integrated Health Services

Blue KC

Members want sustainable alternatives beyond prescriptions

A 2022 survey by Virta health found that 78% don't know about reversal but when they do, 87% are highly motivated to try it. Virta members are grateful for access to proven, sustainable alternatives to drugs like GLP-1s and other medications:

"I was on Ozempic, but I never noticed any weight loss from it.

I've lost over 30 pounds on Virta. My knees hurt less and I have so much more energy. But the psychological effects of no longer having to stick myself? That alone made Virta worth it."

"This program has changed my life completely. I have my confidence back. I feel so good. I'm more active and much happier.

I'm off Ozempic and Metformin. I have coworkers asking for help to lose weight. They can't believe my transformation."

"I went for my sleep study results yesterday and I told my doctor I was off of Ozempic.

She was impressed that I've been off for 3 months and haven't gained back."

"The Ozempic helped, but there is no magic bullet out there. I needed to change my diet. The energy level I have now is amazing, I'm walking 6-8 miles a day. My attitude is way better too. I didn't care about a lot of things before, but now I do."

Final takeaways for health plan leaders

The GLP-1 cost crisis is here and health plans are finding that current utilization management strategies aren't enough to mitigate the risk.

Soaring consumer demand and media infatuation for GLP-1s plus growing patient advocacy movements and frustration with negative prior authorization experiences means that leaders cannot afford to wait this out on the sidelines.

The time for action is now. And the most successful GLP-1 utilization strategies will leverage proven lifestyle interventions, like reversal, as both an alternative to GLP-1s and a sustainable off-ramp for those on the drugs.



Virta gives members the choice to reverse

As an industry, it's critical that we offer a variety of options to suit member preferences and choice, so people can live healthy, long lives in the way they choose.

Only Virta delivers:

1. **Proven outcomes** comparable to GLP-1s but at a fraction of the cost
2. 5 years of experience safely and sustainably **deprescribing GLP-1 drugs** with rigorous provider-led clinical protocols
3. A weight loss solution that **does not prescribe GLP-1s**
4. **Results, not promises** backed up by hundreds of enterprise customers, clinical trial with 5 years of data, 10 peer reviewed research papers, real world claims impact
5. **No financial risk** with no PMPM, 100% of year 1 fees at risk, and claims billable

Learn more at virtahealth.com/health-plans and contact our team to learn about offering Virta for your population: partner@virtahealth.com.

Virta makes reversal possible

Virta is a telehealth provider clinically proven to reverse type 2 diabetes, prediabetes and obesity. We offer an alternative path to better metabolic health outside of the traditional methods of drugs, surgery, or calorie restriction.

Outcomes from Virta's 1 year clinical trial:

- 1.3% reduction in HbA1c
- 31 lbs average weight loss
- 63% of diabetes medications eliminated

Virta makes reversal possible through individualized nutritional therapy under the support and expertise of a health coach, and an advanced telehealth model through which our providers monitor a member's biomarkers and deprescribe their medications. [Learn more.](#)

For plan sponsors and employers, this translates to \$503 in savings per member per month. [Learn more.](#)

Virta is designed with social determinants of health in mind and maps to health equity initiatives to support diverse populations. [Learn more.](#)

About this Survey

Virta Health commissioned this research to capture the perspective of industry leaders on new trends in obesity and diabetes care. This survey sought to better understand the:

- 1 **Most concerning chronic conditions**
- 2 **GLP-1 cost and utilization spikes**
- 3 **Popularity of GLP-1s and impact on care and costs**

Methodology

- 80 health plan executives completed the survey from March 21 to April 13, 2023, from a pool of 167 companies.
- Surveys were completed using Computer-Aided Telephone Interview ("CATI") technology.
- Survey was blinded. Participants did not know that they were participating in a survey funded by Virta Health.
- The margin of error ("MoE") for the total results is ± 7.93 points at the 95% confidence level.



About Virta Health

Virta is a leading telehealth provider clinically proven to reverse type 2 diabetes, prediabetes, and obesity. Reversal is possible through nutritional therapy and fully virtual, provider-led medical group.



About Beresford Research

Beresford Research is a custom market research firm with over 30 years of marketing and strategic consulting experience providing quantitative and qualitative research with cleverly designed methodologies.