

Market Update: Federal Government Cuts Deal with Eli Lilly for GLP-1s

In just the past week, major developments in the health insurance and pharmacy world show how these changes carry big implications for employers. Below we highlight what happened and why employers working with dynamic, innovative brokers like **Apex** will be best positioned to navigate what's next.

Breaking News! Federal Deal Cuts GLP-1 Drug Prices & Expands Access

One of the biggest headlines is the U.S. government's new agreement with drugmakers Eli Lilly and Novo Nordisk to lower the cost of popular GLP-1 weight-loss medications. Announced on November 6th, this deal is poised to be a *game-changer* for obesity treatments:

- Medicare & Medicaid Coverage (April 2026): For the first time, federal health programs will cover GLP-1 weight-loss drugs (such as Lilly's Zepbound™ and Novo's Wegovy®). This expansion means millions of additional patients will have access to these medications. **Crucially, coverage will no longer be limited to diabetes – obesity itself will be covered as a treatable condition.**
- Drastic Out-of-Pocket Savings: Under the deal, patient costs for GLP-1 drugs will plummet. **Medicare/Medicaid patients could pay as little as \$50 to \$350 per month for these drugs.** Today, many patients face bills well over \$1,000 per month for a GLP-1 prescription out-of-pocket. In other words, the new pricing is up to ~80–95% lower than current costs – a massive relief for patients and a sign of how aggressively pricing is being addressed.

Drug List for GLP-1s for Diabetes and Weight Loss

Active Ingredient	Injectable Incretin Mimetics	Brand Name Product	Launch Date	FDA Indication	Avg. Price per Month (Before Rebates)
Semaglutide	GLP-1	Ozempic®	2017	Diabetes	\$1,000
Semaglutide	GLP-1	Wegovy®	2021	Obesity	\$1,300
Tirzepatide	GLP-1 + GIP	Mounjaro®	2022	Diabetes	\$1,000
Tirzepatide	GLP-1 + GIP	Zepbound®	2023	Obesity	\$1,000
Liraglutide	GLP-1	*Victoza®	2010	Diabetes	\$800
Liraglutide	GLP-1	*Saxenda®	2014	Obesity	\$1,300
Dulaglutide	GLP-1	Trulicity®	2014	Diabetes	\$950

GLP-1: Glucagon-like Peptide Receptor Agonists
GIP: Glucose dependent Insulinotropic Polypeptide
* Daily Dose

Source:
Drug Resource: Facts and Comparisons

- Government Pressure on Private Market: While this deal directly affects public insurance, it sends a clear signal to private employers and insurers. The administration hinted that private insurers and employers will be pressed to broaden access to weight-loss medications as well. In CEO discussions, **Lilly's chief Dave Ricks even called on "all stakeholders" – including employer health plans – to join the effort of expanding access to these life-changing drugs.** The writing on the wall is that broad coverage of GLP-1s may soon become the norm, not the exception.

Notably, one major carrier reportedly told a large employer that within 9–12 months *"all insurance companies will probably be covering GLP-1s for weight loss"* due to market forces. As a reminder, all private insurance companies have removed GLP-1s for weight loss starting January 1, 2026. This news is in direction contradiction to the market direction as we currently sit.

BCBSMA's Bold Moves for Prescription Cost Management

Right before the federal announcement, Blue Cross Blue Shield of Massachusetts (the state's largest insurer and often an industry trendsetter) unveiled a striking new strategy regarding GLP-1 drugs:

- Introducing a Teladoc Self-Pay Program: In tandem with removing GLP-1 coverage, **BCBSMA has rolled out an innovative partnership with Teladoc Health to assist members who want to lose weight using GLP-1 medications without burdening the employer health plan.** The new Comprehensive Weight Care Program (available to both fully insured and self-funded BCBSMA clients ≥100 employees) gives members virtual consultations with obesity-specialist doctors, personalized lifestyle coaching (nutrition, exercise, mental health), digital tracking tools, and crucially, access to FDA-approved GLP-1 medications via a special self-pay arrangement.
 - Value for Employers: BCBSMA is positioning this as a win-win: employers can support employees' weight-loss goals *without* adding costly drugs to their claims. You "pay only when a member participates" in the program (there may be a per-participating-employee program fee), and if nobody uses it, you pay \$0. It's a flexible way to address obesity support while avoiding a premium hike. As BCBSMA's flyer says, it's a "flexible option to support employees without covering GLP-1 weight-loss medications".
- Alternate CVS Program if Employers *Do* Cover the Meds: For completeness – BCBSMA also has a second weight management program (through CVS Health) for groups that choose the rider to cover GLP-1 drugs. **That program requires members to enroll in coaching as a condition of continuing to receive the meds at plan cost.** (This is similar to other carriers' strategies: if you cover Wegovy, you want the patient to engage in a lifestyle program too.) But for those not covering it, the Teladoc option is the path.

Bottom line: BCBSMA's approach is a peek into the future of how commercial plans may handle costly weight-loss drugs:

- If you want to keep premiums down, carve the drugs out (don't cover them) but offer an alternative path (self-pay + support program).
- If you choose to cover them, try to mitigate the cost with strict prior authorizations, perhaps charge more premium, and ensure patients receiving the meds are actively trying to improve health (to justify the expense).
- Employers can't assume a drug that's covered this year will be covered next year, or that a new therapy will automatically be included. You'll need to continuously adapt your strategies.

Brokers are in Direct Spotlight to find Solutions for Clients

At Apex, we don't just keep up with the market—we stay ahead of it. As soon as news breaks, we're already talking to the experts, engaging with employers, and crafting strategies that can be implemented immediately.

Our independence as an agency gives us the agility to move fast, pivot when needed, and always stay laser-focused on what matters most: our clients. **In a benefits landscape that's changing by the week, working with a slow-moving broker who's behind the curve can cost your organization real dollars, create confusion for your employees, and burden your HR and finance teams with unnecessary stress.** Let's change that. Kick off a conversation with Apex today and experience what it means to have a partner who's always one step ahead.

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