




JUNE 2024

# THE Self-Insurer

A SIPC PUBLICATION | SIPC.ONLINE.NET

## The Rise of Hybrid Healthcare Delivery





# A CLOSER LOOK AT WEIGHT LOSS DRUGS PROMPTS RENEWED INTEREST IN DIET AND LIFESTYLE

THE MEDITERRANEAN DIET  
OFFERS ONE STRATEGY

---

Written By Laura Carabello

**I**f your employee benefits budget is bursting at the seams with the additional expense of costly GLP-1 prescription weight loss drugs, it may be time to re-think their inclusion.

While people have long been searching for an easy “cure” for obesity, and these popular diet pills -- typically injections -- appear to be the newest magic bullets, there are several significant caveats. A safer, long-term solution that has stood the test of time and stands above all the costly, upstart quick fixes is the Mediterranean lifestyle.

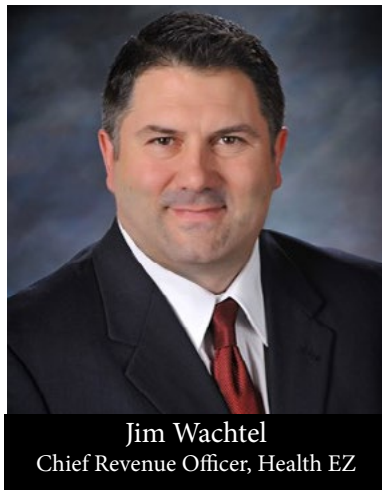


“GLP-1 is a great tool that provides quick results, but the downside is that, if behavioral solutions are not added, the same poor eating habits will bring back the same problems,” advises Dr. Will Clower, a behavioral neuroscientist and CEO, Mediterranean Wellness (MedWell), a company he founded in 2003 based upon the principles of the Mediterranean approach to nutrition, diet, stress, and activity. “People have two choices: add lifestyle behavior changes or take the shots and bear

the expense, basically, forever.”

GLP-1 agonists are currently the most sought-after and effective anti-obesity medications, although the \$1,000+ monthly expense could be a lifetime expenditure for plan sponsors on behalf of members. Currently, only liraglutide (Saxenda), semaglutide (Wegovy), and tirzepatide (Zepbound) are approved for weight loss, although some other GLP-1 drugs may be prescribed off-label. The drugs are in such high demand there is even a nationwide shortage, making them difficult to obtain. Not everyone has the same results, and these can differ based on many factors, including diet, health status, and activity level.

Jim Wachtel, chief revenue officer, Health EZ, provides this guidance: “Coverage of these drugs is a business decision that should not be made in a vacuum. If you decide against coverage, there may be short-term savings with long-term implications for the benefit strategy. Conversely, a decision to cover the drugs requires clinical support and resources to have the best results possible, including improved quality of life for members.”



Achieving optimal benefit design is key to the decision-making process. In his role at Health EZ, the independent TPA that designs custom, self-funded benefit plans, he stresses the significance of understanding client needs and identifying goals.

“Companies have varying objectives, ranging from clinical endpoints to cost-containment and risk management strategies, so this coverage



decision impacts many areas of operation,” says Wachtel. “It is important to remember that every business strategy plays a role in how member health is affected today and into the future. Over the next ten years, today’s risks can turn into tomorrow’s costs.”

Any time a company embarks on a new benefit, such as the GLP-1 drugs, he emphasizes how important it is to understand all the factors that affect implementation.

“Very often, a decision of this magnitude requires high-touch support and programs to influence behavioral changes,” he concludes.

## BE AWARE OF MEDICATION SIDE EFFECTS

Jamie L. Holowka, B.S., Pharm.D., director, clinical strategy and underwriting, Complete Captive Management Services, LLC. warns, “These GLP-1 drugs have the potential for serious side effects that could result in death or hospitalization. This class of medications should NEVER be used with a personal

or family history of medullary thyroid cancer, personal history of Multiple Endocrine Neoplasia, type 2 or pregnancy.”

She points to additional warnings that are reported to include:

- Monitor for the development of Thyroid Disease
- Acute Pancreatitis
- Acute Gallbladder Disease
- Hypoglycemia
- Kidney Injury
- Increased Heart Rate
- Suicidal Behavior and Ideations
- Retinal Disorders may be worsened
- GI pain or slowness, which may include nausea, vomiting and diarrhea, as well as interactions with other medications.

She further cautions, “These medications should only be approved in conjunction with lifestyle changes, including counseling. When medications are stopped, 100% weight gain may result. Clearly, the long-term effects of weight loss medications are either not fully understood or are harmful. Determining the best way to manage obesity may cause many to wonder when

medications are part of the solution. Treatment options for adults should always include lifestyle modifications.”

As employers finalize their drug formularies, Holowka recommends that GLP-1 injections are best used in conjunction with wellness programs and counseling, adding, “Lack of coverage may lead to a risk for obesity, weight-related diseases.”

Beyond just the overall immediate health, there are many long-term consequences or comorbidities of obesity, such as type 2 diabetes, hypertension, heart disease, high cholesterol, major adverse cardiac events (MACE), kidney disease (may require dialysis and transplant), gallstones, cancer (colorectal, uterine, kidney, pancreatic, etc), sleep apnea, chronic pain and mental wellness.

Holowka and her team developed the chart below, which describes some of the solutions and related costs for addressing obesity:

The infographic features a dark blue header with the 'aequum' logo in white. Below the header, the title 'Advocacy in Action' is written in large, bold, white letters. The main content area has a light yellow background and is divided into three vertical columns by thin blue lines. Each column contains an icon (a rocket, a money bag, and a map of the US), a bolded title, and descriptive text. At the bottom, there is a contact line with a phone number and website, and a disclaimer in small text.

**aequum**

## Advocacy in Action

Legal services and innovative technology combined to defend health plans, plan sponsors and member participants nationwide

aequum advocacy programs & services successfully resolve surprise billing and unreasonable out-of-network and balance billings

- Efficient Claim Resolution**  
On average, aequum resolves claims within just **244 days** of placement.
- Unmatched Savings**  
aequum has achieved a remarkable **95.6% savings** off disputed charges for self-funded plans.
- National Expertise**  
aequum has successfully handled claims in **all 50 states.**

P 216-539-9370 | [www.aequumhealth.com](http://www.aequumhealth.com)

No Guarantee of Results - Outcomes depend upon many factors and no attorney can guarantee a particular outcome or similar positive result in any particular case.

©2024 aequum, LLC. All Rights Reserved

The World Health Organization (WHO) defines obesity as an abnormal or excessive fat accumulation. According to the Centers for Disease Control and Prevention (CDC), obesity prevalence is:

- Children and adolescents (12 - 19): 19.7%
- Adults (20 - 59): 39.8 - 44.3%
- Older adults (60+): 41.5%

According to the National Institutes of Health, being overweight is defined as having a Body Mass Index (BMI) between 25 and 29.9, or for obesity, a BMI of 30 or higher. Excess body weight is linked to a heightened risk of chronic disease, including cardiovascular, Type 2 diabetes, metabolic syndrome, kidney disease, fatty liver, respiratory disorders, osteoarthritis, and some cancers.



## OBESITY: A MAJOR PUBLIC HEALTH CHALLENGE



Jakki Lynch  
RN, CCM, CMAS, CCFA

“Obesity carries extreme implications for employers and their teams,” says Jakki Lynch, RN, CCM, CMAS CCFA, director cost containment, Sequoia Reinsurance Services, citing a recent report that estimates obesity cost US employers and employees \$425.5bn in 2023. The study found that of the 158 million employees working in the private and government sectors, 30% were classified as obese, and 34% were overweight.

“The direct costs of obesity are healthcare expenditures for medical treatment, preventative services, diagnostic testing, bariatric surgeries, and medications,” continues Lynch. “Evidence from previous studies shows that weight loss can significantly reduce the risk of obesity-related complications and chronic diseases. Diet management, exercise, behavior modification programs, bariatric surgery, and prescription drug treatment are the major interventions that are used to help people lose weight. While the newly approved drugs for weight management have recently gained considerable attention, they do not come without considerations for cost and health complications.”

Lynch points to some of the common side effects of GLP-1 drugs, including gastrointestinal symptoms — nausea, vomiting, diarrhea, and constipation, which can be difficult to manage and, as a result, may lead to discontinuing the medication. However, more serious side effects of GLP-1 agonists include pancreatitis, gastroparesis, bowel obstruction and gallstone attacks.

Elina Onitskansky, founder & CEO, Ilant Health, a value-based obesity management and cardiometabolic health company, advises, “Employers confronted with the dual challenges of managing obesity related costs like diabetes, heart disease, and musculoskeletal issues, and the skyrocketing demand of expensive GLP-1 medications would benefit from adopting a nuanced approach to treatment.”



Elina Onitskansky  
Founder & CEO of Ilant Health

She says the focus should be on identifying and engaging members with the greatest clinical and financial value from treatment, matching them to the right care across the full treatment spectrum, from behavioral therapy to medications to surgery, and supporting those members in driving outcomes from treatment.

“Done correctly, individualized obesity treatment can drive near-term financial value, support employee engagement and productivity, and improve equity,” she continues. “Done incorrectly, it can be yet another ineffective – and costly – attempt to drive weight management.”

## THE MEDITERRANEAN DIET: A BETTER ALTERNATIVE

Lynch says the complications associated with weight loss drugs can have a significant financial impact on plan sponsors, with millions of dollars in cost for surgical intervention with extended hospital stays for management of the complications.



“Additionally, studies indicate patients experience a two-thirds regain of their body weight a year after stopping one particular drug (Wegovy),” she advises. “Plan sponsors should consider reasonable coverage policies and patient case management to address these costs and the impact on members.”

She says that losing weight is achievable and sustainable by incorporating less restrictive lifestyle changes with healthier eating habits and exercise to gradually lose weight over time and keep it off.

“For example, a healthy diet featuring natural, unprocessed foods, plant-based with adequate protein, whole grains, healthy fats and



| a Leading National TPA





**Marketing**



**Stop Loss**

---



**Compliance**



**Concierge**

---



**Reporting**



**Clinical Management**

**Everything you need to optimize your health plan under one roof.**

Our specialized teams can provide guidance and service in areas like:

- Plan performance analysis and consultation
- Regulatory requirements and compliance
- Full-service concierge and navigation tools
- Custom-built scalable plans

**Not just a TPA, a partner.**



[hpiTPA.com](http://hpiTPA.com)

no simple sugars – essentially, the Mediterranean Diet -- is ranked number one for nutritional completeness, health risks and benefits, long-term sustainability and evidence-based effectiveness by a panel of leading medical and nutrition experts, specializing in diabetes, heart health and weight loss,” says Lynch.

Research continues to show the Mediterranean Diet, based on healthy foods and physical activity, is the best prescription for a long, healthy life. Focusing only on partial adoption, simply eating more of the foods on the plan, and being more active are impactful health goals.

“Employers can proactively address the options to support weight management in a holistic

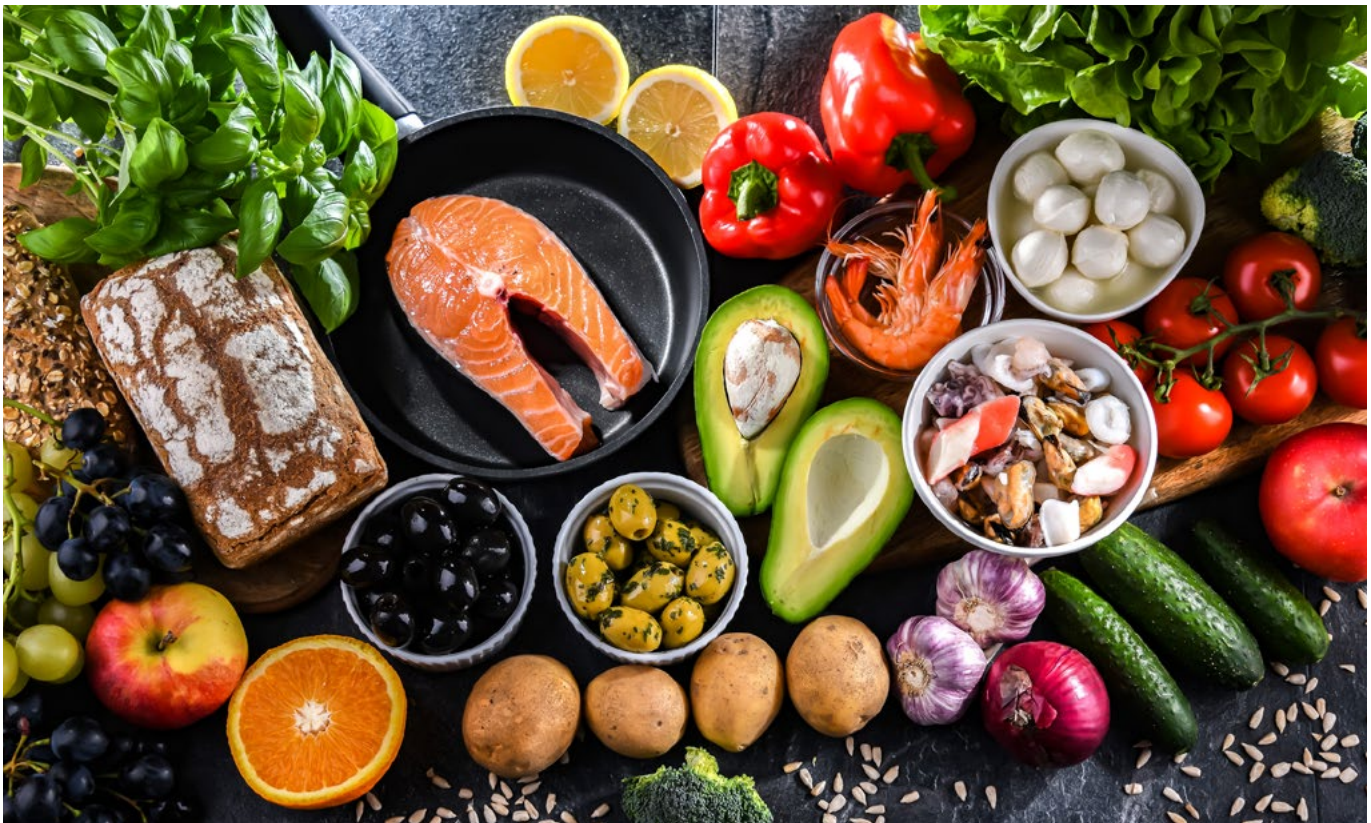
way through ongoing communication with their members and effective pharmaceutical benefit oversight,” she concludes.

### **IMPLEMENTING THE MEDITERRANEAN APPROACH: “THE HEALTHIEST LIFESTYLE ON EARTH”**

With the Mediterranean approach now hailed year after year as the healthiest approach to weight loss, healthy hearts, and diabetes control, Will Clower says employer demand for MedWell programs has skyrocketed,

“What is really working is a dual approach that addresses the same problems from two important directions: clinically and behaviorally,” says Clower, who serves on the faculty at the Victoria University of Wellington, where he serves as a “Wellness Ambassador” for the University with the overall goal of improving the wellbeing of reducing health disparities and care gaps, and improving the overall approach for clinical, mental, and behavioral wellbeing.

“Our MedWell program combines these two elements to achieve short and long-term goals,” Clower explains. “By integrating a healthy lifestyle behavior with nurse counseling, and sometimes incorporating



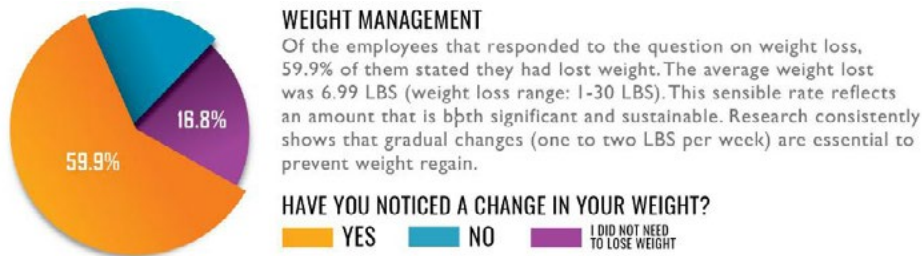
the power of weight loss drugs to get started, members finally get a holistic solution for the whole person.”

He emphasizes that plan sponsors want a solution that works for members, “But they don’t want to have to pay for injections indefinitely. By adding the healthy behaviors of the MedWell approach, they save money and give members a lifelong solution for lifelong health.”

Industry leaders who have implemented the MedWell approach in the workplace have been highly complementary: Alberto Columbi (PPG) has attested, “The best wellness program we have ever had”; Tricia Griggs, (Aflac) said, “The best program I have ever seen”; Richard Butler (City of Pittsburgh) has confirmed, “I highly recommend Mediterranean Wellness.”

To help employers gauge results, MedWell conducts an employee survey at key points in the patient experience with results that reflect the data below:

The Mediterranean Wellness approach is affordable and easily implemented, and it provides fully customizable wellness platforms



for organizations ranging in size from 50 to 50,000. By integrating wellness initiatives with a full suite of options that are customized for specific plan needs, companies can take advantage of a wellbeing education module, wellbeing challenges, “Know Your Numbers” biometrics module, health risk assessment, incentive management, telehealth, and most recently, at-home testing, programs.

“It has been my dream to see these principles of Mediterranean wellness enacted across rosters of wellness education content, engaging challenges, and one-on-one health coaching,” states Clower. “Combining holistic content with clinical guidance, site-level wellness champions and incentive-based wellness awards creates exactly the kind of enthusiasm across an organization that is needed to sustain a lifestyle in the long term.”

The prevailing sentiment is that it is not advisable for employers to simply release their employees out in the world and wish them luck taking an expensive diet drug.

## WHAT EXACTLY IS THE MEDITERRANEAN DIET?

The Mediterranean Diet is truly a way of life, with its origins tied to how the inhabitants of countries along the Mediterranean Sea, such as Italy, live. Because these areas are so lush, the main principle is grounded in eating plant-based foods.

“Food staples in the Mediterranean diet include plenty of produce, whole grains, beans, nuts and seeds — and of course, extra virgin olive oil,” explains Clower. “Interestingly, wine is a feature of the Mediterranean diet, and a glass is regularly consumed with meals. Though everything is included in the Mediterranean diet, as far as meats go, they lean on fish and chicken.”

He says it’s far easier to stick to long term than other diets, and in addition to weight loss, data shows the Mediterranean diet also reduces the risk of regaining weight or the onset of type 2 diabetes, lowers heart disease risk, provides gut microbiota support and reduces markers of inflammation.

“It’s important to adopt the behavioral habits of this lifestyle approach and also get regular exercise,” he advises. “Watching meal portions is also key.”

A study published in the journal Nutrition and Diabetes found that following the Mediterranean diet for five years can decrease abdominal fat and the likelihood of



weight gain. Looking at the Mediterranean diet versus a low-carb one, another study in a peer-reviewed Journal found that being on the former led to losing double the amount of weight compared to the latter.

“The Mediterranean diet can help with long-term weight loss, with some participants losing between 9–22 pounds after a year,” explains Clower. “And it is actually shown to help people live longer.”

Clower also refers to a JAMA study that showed the Mediterranean Diet was associated with reduced all-cause and cause-specific mortality.

“This is the first study to provide strong evidence for a beneficial effect of higher conformity with the Mediterranean dietary pattern on risk of death from all causes, including deaths due to CVD and cancer, in a US population,” adds Clower. “Live longer and in better health – that’s quite an endorsement.”

## EMPLOYERS DEBATE COVERAGE OF WEIGHT LOSS DRUGS

Employers are still deciding whether and how to cover these new drugs. Notably, however, Medicare does not cover drugs used for weight loss. While employers cover the use of GLP-1 drugs as a treatment for diabetes, the debate around providing coverage for them as an obesity treatment lingers. Mercer reports that GLP-1 medications approved by the U.S. Food and Drug Administration could contribute between 50 and 100 basis points to the overall cost trend.

Surveys show varying results for coverage:

- In the Mercer survey of nearly 1,900 employers, representing about 134,000 employer health plan sponsors, U.S. employers, on average, have budgeted a likely 5.2% rise in these costs for next year. Currently, around two-fifths of large employers cover GLP-1 medication for the treatment of obesity, and another 19% say they are considering it.
- In another survey conducted last year by Accolade, most HR decision-makers (81%) said they felt their employees would be interested in GLP-1s, and 43% said they intend to cover the drugs in 2024, up from 25% in 2023. Companies emphasize that combining the medications with other lifestyle treatments is the answer and assert that the drugs alone aren’t a silver bullet.
- Yet another survey from Virta Health, including 60 Chief Medical Officers, Chief Pharmacy Officers and actuarial leaders from major national and regional insurers, shows 43% of health plan leaders are predicting 100% or more growth in GLP-1s for weight loss and obesity at their organizations in 2024.

Collectively, the surveys conclude GLP-1s is projected to be a top three drug spend in 2024 despite the fact that these medications represent the most expensive drug class this year. They also concur, however, that lifestyle programs should be used as a first line therapy for obesity, prior to prescribing a GLP-1.

In the face of high costs, large employers nationwide have started offering limited coverage and increasing cost-sharing of the drugs. For example, the state of Connecticut and Labcorp, a laboratory services company, have opted to implement clinical lifestyle programs that offer access to providers

and personalized care plans for weight management. Others, like Purdue University, are requiring employees to meet a certain body mass index threshold to qualify for drug coverage. These programs, like MedWell, can also help employees maintain long-term lifestyle changes while allowing employers to realize the massive healthcare savings to be had from reducing obesity.

Randa Deaton, the Purchaser Business Group on Health's vice president of purchaser engagement, advises, "Most organizations want their plan members to have access to weight-management options, however, they also want to ensure that it's clinically appropriate and accompanied by the medical and lifestyle modification supports to ensure long-term safety and efficacy for the individual."

## SHOULD GOVERNMENT STEP IN?

The high price points of popular weight loss drugs ignited a response from Sen. Bernie Sanders, the Vermont Independent who chairs the Health, Education, Labor and Pensions (HELP) Committee. Acknowledging the work of scientists in developing these drugs that have the potential to be a game changer for millions of Americans struggling with type 2 diabetes and obesity, Sanders declared that as important as these drugs are, they will not do any good for the millions of

patients who cannot afford them. He also noted that manufacturers charge far less for the same drugs in other countries. For example, one month of Ozempic runs \$969 in the United States but just \$155 in Canada and only \$59 in Germany.

Policymakers in many countries are studying different solutions to the question of access to GLP-1s and other weight loss drugs. However, given the fragmentation in U.S. healthcare, a broad policy may prove to be difficult. Several countries, including Belgium and Great Britain, have taken steps to ban or discourage the use of these products for weight loss and instead prioritize their distribution to patients with diabetes. Neither the US federal government nor individual states have yet to make similar moves, leaving it up to health plans to arrive at their own decisions.

A recent study published in *The New England Journal of Medicine* outlines a clear path that stakeholders can follow around these drugs. The researchers found that focusing solely on patients who have diabetes may not be the most ethical or effective way to distribute these drugs.

The study is built on four "fundamental ethical values" that inform the model: preventing or reducing harm, offering equal moral concern, prioritizing disadvantaged groups, and rewarding social contributions. With those principles as the foundation, the researchers established four tiers based upon the need for a fair allocation of these products, offering a framework that could guide physicians and professional societies aspiring to ethical prescribing of the drugs. ■

*Laura Carabello holds a degree in Journalism from the Newhouse School of Communications at Syracuse University, is a recognized expert in medical travel and is a widely published writer on healthcare issues. She is a Principal at CPR Strategic Marketing Communications. [www.cpronline.com](http://www.cpronline.com)*