

## Weighing the Costs and Benefits of GLP-1 Drugs: A Case for Aligning Value with Outcomes



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The rapid rise in the utilization of glucagon-like peptide-1 (GLP-1) receptor agonists for the treatment of obesity represents a breakthrough in the fight against a disease that affects over 40% of American adults, but also carries the potential to incur immense economic costs to both individuals and payers. Drugs such as semaglutide (Ozempic<sup>®</sup>, Wegovy<sup>®</sup>), liraglutide (Victoza<sup>®</sup>, Saxenda<sup>®</sup>), and tirzepatide (Mounjaro<sup>®</sup>, Zepbound<sup>®</sup>) have demonstrated unprecedented efficacy in clinical trials, helping patients achieve a 15% to 25% loss in body weight. Semaglutide is also the first medication shown to decrease the risk of heart attacks and strokes among people with diabetes, and similar trials are being conducted with the other GLP-1s for treatment of addiction and dementia, among other indications.

**Obesity was finally recognized as a disease in June 2013 by the AMA, yet 11 years later, we fail to offer standard-of-care treatments like we do in other disease states.**

Broadly incorporating obesity management into our health benefit will undoubtedly produce positive outcomes for patients and our country, but we must do so with some checks and balances in place. The potential positive impact to society of finally having effective pharmacologic

options to treat obesity cannot be overstated.

Increased adoption of GLP-1 medications does not necessarily have to be the economic tsunami it is made out to be by some on Capitol Hill or health plan CFOs. How is it that the overall system is migrating toward value-based care for all aspects of healthcare *except* its most utilized benefit? Wouldn't it be prudent to gradually reform the financing of one of our highest utilized benefits – to ultimately accrue value to patients and society as a whole – as we continue to deliver therapeutic breakthroughs and potential cures over the coming decades?

**It's against this framework of value-based medicine that we should assess the long-term costs and benefits of health interventions, tying the price paid for treatments to the actual outcomes achieved at both the individual and population level.**

This also considers the full range of effects, both positive and negative, that may result from an intervention – including those that are indirect, unintended, or as-of-yet unknown.

From this lens, several key issues emerge when using GLP-1 drugs to treat obesity. Despite reassuring safety data from their use in diabetes, the long-term risks of these medications when taken at higher doses for much longer durations in a broader population are uncertain.



Post-marketing surveillance has identified rare but serious adverse events such as gastroparesis, acute pancreatitis, intestinal obstruction, and gallbladder disease.



Gastrointestinal side effects like nausea and diarrhea are common and can significantly impact quality of life.



Anecdotal reports of compulsive behaviors and eating disorders hint at concerning psychological effects in some individual and animal studies suggesting potential cancer risks, while not seen in humans, underscore the inherent limitations of clinical trials in detecting safety signals that may only appear with more widespread, longer-term use.

Another challenge is shown through the durability of weight loss and attendant health benefits achieved with GLP-1 drugs being predicated on continuous, perhaps lifelong, use of these medications. Evidence to date indicates that a potential majority of patients will regain much of their weight loss if they discontinue therapy. Thus, the value of these drugs is inextricably tied to adherence and persistence over many years or even decades. Real-world studies paint a sobering picture, with only 30% to 50% of patients still taking GLP-1 medications after one year, and clinical trials demonstrating high single to low double-digit discontinuation rates within the first few months of use.

Reasons for discontinuation include not just side effects, but also high out-of-pocket costs, injection fatigue, perceived lack of effectiveness, and resurgence of appetite. This creates a disconnect between the efficacy seen in clinical trials and that seen in actual practice. At current list prices reaching \$15,000 or more per patient per year and a very large addressable patient population, GLP-1 drugs carry a cost that strains the budgets of patients, payers, and society. For many, these medications are unaffordable without insurance coverage, which remains limited and highly variable. Under the current reimbursement and discount structure, payers are understandably reluctant to

commit to paying for a higher priced therapy that may need to be taken indefinitely, especially when long-term benefits remain unproven with no coherent framework to measure real-world outcomes. Without a new approach in tracking and monitoring for product effectiveness, the total cost of extending GLP-1 treatment to all eligible patients could be astronomical, diverting healthcare resources away from other areas of need. It would also greatly exacerbate existing disparities, leaving only the financially privileged to access these medications. This could lead to an inequitable distribution of a public health intervention that not only raises moral issues, but also undermines its overall impact.

Taking an alternative approach by pricing GLP-1 drugs in line with the value they deliver will be critical to realizing their broad potential in a way that is both equitable and financially sustainable. Approaches like value-based agreements (VBAs) between manufacturers and payers, which are designed to link reimbursement to actual outcomes achieved, are promising. For example, a potential VBA payment structure for GLP-1 medications could be tied to such metrics as the percentage of patients who reach a certain

threshold of weight loss, early discontinuation, a reduction in obesity-related complications, and/or improvement in quality-of-life measures at pre-specified times. Such arrangements would give all stakeholders greater confidence that these drugs are delivering meaningful, long-term benefits commensurate with their price.

### ► Outcomes and Evidence Platform

Innovative technology platforms like COEBRA™ offer a market-proven **solution to operationalize value-based pricing for GLP-1 drugs**. COEBRA™, the COEUS Outcomes and Evidence Platform, provides healthcare data aggregation capabilities fueled by a powerful rules engine to accurately measure and adjudicate real-world outcomes. By enabling the design and implementation of value-based contracts that tie reimbursement to actual results achieved at the patient and population level, COEBRA™ can help align incentives around long-term efficacy, safety, and value while automatically adjudicating claims based on predefined contract terms, providing a scalable infrastructure for outcomes-based payment models. This can give payers and employers greater confidence when paying for high-cost GLP-1 therapies while ensuring that prices are

commensurate with realized benefits.

Beyond facilitating value-based contracting, platforms like COEBRA™ are also critical for **generating the real-world evidence needed to assess the true value of GLP-1 drugs** over time. By continuously aggregating and analyzing data on medication use, clinical outcomes, healthcare utilization, costs, and patient-reported measures, this platform can provide a dynamic, real-time view of the effectiveness, safety, and value of GLP-1 therapies as used in routine clinical practice. The real-world evidence that is generated can supplement clinical trial data to guide more precise and personalized use of these agents, inform dynamic risk-benefit assessments, and reveal opportunities to optimize outcomes at the individual and population level. It can also help monitor and mitigate unintended consequences, such as widening health disparities or safety signals not detected in clinical trials.

Even with the best protocols in place, GLP-1 drugs alone will not reverse the tide of the obesity epidemic. Ultimately, the value of any obesity treatment can only be maximized in the context of a comprehensive, multi-level strategy that addresses the root drivers of weight gain. This includes policies to improve the food environment, increase physical activity, and

reduce socioeconomic disparities. It means reshaping neighborhoods and communities to make healthy choices the default rather than the exception. It requires changing social norms and narratives around body weight, food, and health. Crucially, it demands that we stop blaming individuals for a problem that is deeply embedded in the fabric of our society. Only by combining innovative medical treatments with systemic solutions and leveraging platforms like COEBRA™ to implement value-based payments and generate real-world evidence can we create a more dynamic and adaptive ecosystem for GLP-1 therapies that is better equipped to navigate these challenges and optimize outcomes for all. In doing so, we can not only realize the promise of these transformative innovations, but also build a blueprint for a more sustainable, equitable, and patient-centered approach to confronting obesity and chronic disease in the 21st century, finally shifting the trajectory of the obesity epidemic. The journey ahead will not be easy, but with the right tools, incentives, and collective will, it is a path we must embark upon for the sake of our health, our economy, and our future.