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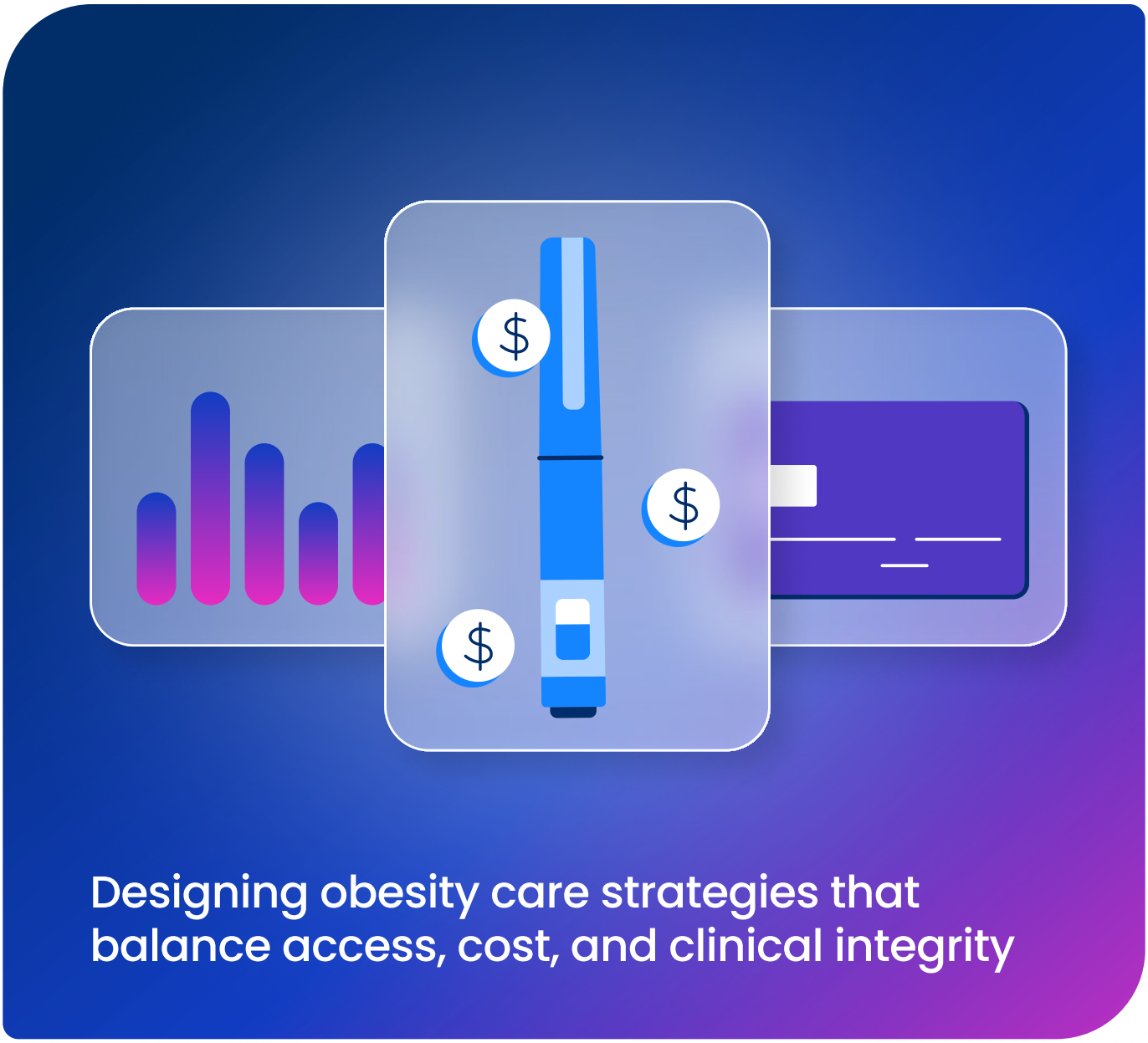
The Employer's Guide to GLP-1 Coverage Strategy



Designing obesity care strategies that balance access, cost, and clinical integrity

GLP-1 medications have changed the conversation about obesity care

In just a few years, GLP-1 medications like Wegovy, Zepbound, and Ozempic have reshaped how clinicians treat obesity and metabolic disease. Clinical trials and real-world outcomes have demonstrated significant weight loss and improvements in cardiometabolic health when these medications are used appropriately and paired with lifestyle support.

But the rise of GLP-1 medications has also created a new challenge for employers.

Employees are aware of these therapies and actively seek access to them. At the same time, GLP-1 drugs are blowing pharmacy budgets, now accounting for over 10% of total employer healthcare claims and over 46% of the total increase in drug spending.

For benefits leaders, this creates a difficult balancing act

1. **How do you identify the right employees who need these medications?**
2. **How do you ensure employees receive comprehensive, whole-person support that drives sustainable behavior change?**

Increasingly, leading organizations are moving beyond formulary design alone and toward more comprehensive, strategy-driven models of care.

This guide explores the evolving landscape of GLP-1 access and outlines the emerging models employers are using to deliver care responsibly and sustainably.

Why traditional coverage models are struggling

Traditional pharmacy benefit structures were not designed for the rapid rise of high-cost obesity medications. Employers often face several challenges when implementing GLP-1 coverage through the standard formulary pathway, whether they offer full coverage or limited access with prior authorization.

Common challenges

Cost volatility

High monthly medication costs can lead to significant increases in spending as utilization rises.

Prior authorization complexity

Strict authorization criteria may slow access, create administrative burden, and frustrate members.

Lack of clinical coordination

When prescribing occurs outside a structured care program, members may receive medication without adequate behavioral support or ongoing monitoring.

Inconsistent member experience

Employees may struggle to navigate coverage rules, pharmacy requirements, or affordability programs.

These challenges can lead to:

- Poor medication adherence
- Treatment delays
- Inappropriate prescribing
- Reduced long-term outcomes

As demand continues to grow, employers are exploring new ways to manage GLP-1 access.

Three emerging GLP-1 access strategies

As traditional coverage models struggle, employers are shifting their focus from whether to offer GLP-1s to how to pay for them sustainably.

PBM-integrated access with clinically guided care

In this model, GLP-1s remain covered within your existing pharmacy benefit, but access is no longer managed by formulary rules alone. Instead, employers layer in clinical oversight and care coordination to ensure medications are used appropriately and effectively.

How it works

Medications are accessed through the PBM and existing formulary

Traditional tools (e.g., prior authorization) may still apply

Clinical teams guide eligibility, prescribing, and ongoing treatment decisions

Members receive integrated support across medical, behavioral, and nutritional care

Why employers choose this approach

Helps ensure GLP-1s are used as part of a comprehensive care plan

Adds a layer of utilization management that goes beyond prior authorization

Improves the sustainability of outcomes by incorporating behavior change

Maintains integration with deductibles and out-of-pocket maximums

Key consideration: Employers must adhere to opaque pricing determined by PBMs.

Employer-sponsored self-pay

Employers leverage cash-pay pricing while optionally subsidizing member costs. The best options also include clinical oversight and care coordination similar to the PBM-integrated model above.

How it works

Members access medications through the drug manufacturer

Employer may provide a defined contribution (optional)

Members pay the remaining balance out-of-pocket

Why employers choose this approach

Avoids adding GLP-1s to formulary

Leverages lower cash-pay pricing

Creates predictable employer spend

Key consideration: Does not integrate with deductibles or out-of-pocket maximums.

Employer-sponsored direct pay

A newer, rapidly emerging model allows employers to contract directly for GLP-1 medications, bypassing traditional PBM pricing structures. As with any access approach, pairing direct pay models with clinical oversight and care coordination is essential to ensure predictable costs and strong outcomes.

How it works

Employer carves out GLP-1s from PBM

Contracts with manufacturer partners or through a digital pharmacy navigator

Pays a fixed, transparent price per prescription

Why employers choose this approach

Predictable, transparent pricing

Greater control over subsidy and access

Integration with benefit design (including accumulators)

Key consideration: Manufacturer agreements may limit traditional utilization controls without proper eligibility design.

Regardless of payment model, value depends on clinically guided care.

What to consider with alternative coverage benefits

As you evaluate alternative coverage benefits, it's important to ensure that plan design aligns with all federal and state requirements. Employers should work with their benefits, legal, and clinical partners to design an approach that is both compliant and aligned with their overall strategy.

In many cases, these programs are paired with tax-advantaged funding mechanisms—such as HSAs, FSAs, HRAs, or EBHRAs—which allow employees to use pre-tax dollars toward medication costs. Employers may also choose to contribute a defined, budgeted amount annually, creating a more predictable and capped financial exposure compared to traditional formulary coverage.

No matter the payment approach, clinical oversight is key. Obesity medications are most effective when used as part of a comprehensive care program that addresses the behavioral and lifestyle factors that contribute to weight gain.

How Vida supports alternative coverage strategies

Vida integrates with every major PBM and also supports alternative coverage strategies like self-pay (DTC) and direct-pay (DTE). No matter the GLP-1 strategy an employer choses, Vida's clinical model delivers transformative care while lowering costs.

These alternative approaches enable employers to access GLP-1 therapies while maintaining a more predictable, controlled cost structure—particularly for those not ready to assume full formulary risk.

Vida Self-Pay

Vida Self-Pay, powered by RxSaveCard, provides a structured pathway to GLP-1 access without requiring formulary inclusion.

In this model:

- Vida clinicians determine medication eligibility using evidence-based protocols
- Members can access discounted pricing through Vida Self-Pay
- Employers may contribute funds to help offset medication costs if they choose
- Members receive comprehensive medical, nutritional, and behavioral support through Vida's care team

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Vida Direct-Pay

Vida supports direct-to-employer GLP-1 models by providing the clinical infrastructure needed to ensure appropriate use and member outcomes.

Vida partners with organizations that offer access to manufacturer-backed direct-pricing programs. These partners provide the pricing and fulfillment infrastructure, while Vida delivers the clinical care model.

In this model:

- Vida clinicians determine medication eligibility using evidence-based protocols
- Members can access discounted pricing through Vida Direct-Pay. All dollars spent count toward the member's deductible and out-of-pocket maximums (not true for Self-Pay)
- Members receive comprehensive medical, nutritional, and behavioral support through Vida's care team

A smarter path forward

Demand for metabolic care is unlikely to slow in the coming years. As GLP-1 medications continue to reshape the treatment landscape, employers will need strategies that balance access, affordability, and clinical responsibility.

The future of obesity care will not rely on a single coverage model. Instead, successful programs will combine flexible access pathways, clinical stewardship, and comprehensive support for members.

Employers who adopt these approaches today will be better positioned to deliver meaningful health outcomes while maintaining the long-term sustainability of their benefit programs.

Effective comprehensive care programs include

- **Physician oversight**
- **Nutritional counseling**
- **Behavioral coaching**
- **Side effect management**

Ongoing monitoring of treatment progress

Design a more effective GLP-1 strategy

With Vida, you can support flexible, clinically guided approaches to GLP-1 access—whether integrating with existing formularies or offering alternative pathways like Vida Self-Pay or Vida Direct-Pay.

Contact Vida to learn more