

# The Decision to Cover GLP-1s Is a Culture One: Balancing Health, Finance and Values

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Glucagon-like peptide-1 (GLP-1) medications are doing more than transforming waistlines and blood sugar levels—they're redefining corporate culture.

As employers grapple with including GLP-1s in their benefits packages, they face a complex decision that boils down to two main factors: human resources and finance. On one side, there's the potential for improved employee health and productivity. On the other, employers face significant costs and implementation challenges.

Navigating this terrain requires a delicate balance of fiscal responsibility and commitment to employee well-being.

## **Financial Considerations: A Nuanced Picture**

From a financial perspective, GLP-1s present both opportunities and challenges. [Health plan costs are projected to rise](#) 8% in 2025, driven substantially by GLP-1 medications. While these medications show positive impacts on health markers when used for weight loss, people don't always stay on them long-term due to factors like adverse side effects, the inconvenience of regular injections and high out-of-pocket costs.

For employers, this inconsistency raises questions about ROI. Where is the ROI if only a handful of employees realize the long-term health benefits of these medications? On the flip side, consider the side effects of going off GLP-1s. Most people experience weight gain once treatment stops, potentially negating any positive long-term effects.

To mitigate financial burdens, companies are implementing strategic approaches. For example, larger employers can set parameters around accessibility to GLP-1s for weight loss. Coverage might be limited to employees with specific health conditions, ensuring the benefit targets those who need it most.

## **Cultural Implications: Wellness as a Corporate Value**

The decision to cover GLP-1s is seen increasingly as a reflection of company values and a commitment to employee wellness. It positions the company as progressive and health-conscious, potentially boosting employee morale and attracting health-minded talent. An increasing number of employers are choosing to offer GLP-1 coverage because, if they want to promote good health, they need to make access available.

Culture matters now more than ever in benefits decisions. With GLP-1s, this extends beyond offering a popular benefit—it's about aligning company values with tangible support for employee health and well-being.

## **The Future of GLP-1s in Employee Benefits**

The future of GLP-1 medications appears increasingly promising, with ongoing research revealing expanded applications beyond weight management and diabetes. [Emerging studies](#) suggest potential benefits for conditions ranging from cardiovascular health to cognitive function, while pharmaceutical innovations are making treatment more convenient and accessible.

The landscape is rapidly evolving, with more than [16 new weight loss drugs](#) expected to enter the market by 2029. Pharmaceutical companies are developing oral formulations as alternatives to injectable medications, potentially increasing treatment adherence and patient comfort. For instance, Eli Lilly's development of [oral GLP-1 medications](#) could revolutionize how these drugs are administered and potentially affect their accessibility and cost structure.

## Current Trends in Employer Coverage

The adoption of GLP-1 coverage among employers continues to expand, though with careful consideration of cost management. Recent data shows that [57%](#) of employers currently provide coverage for diabetes-only applications—up from 49% in 2023. Looking ahead, [more than a quarter](#) of employers are considering adding coverage for weight loss applications in 2025 or 2026, according to Mercer's national survey.

However, employers face significant financial considerations. To address these cost pressures, employers are exploring various strategies:

- Limiting coverage to individuals with specific health conditions or risk factors
- Investigating more affordable compounded versions of GLP-1 drugs
- Monitoring market developments that could affect pricing

Several factors suggest price relief may be on the horizon for GLP-1 medications. Potential drug price negotiations with Centers for Medicare and Medicaid Services (CMS) could drive down costs, while increased market competition from new entrants is expected to create pricing pressure. The development of oral formulations could also reshape the market dynamics.

These factors have led financial analysts to expect substantial price reductions in the coming years, with projections showing price declines of [more than 10% annually by 2027](#). Currently, before insurance, brand-name versions like Ozempic cost approximately \$969 per month in the U.S. The emergence of generic alternatives could potentially reduce costs even further, by [up to 90%](#) according to some estimates.

As organizations navigate these evolving dynamics, the decision to cover GLP-1s remains a reflection of both financial stewardship and commitment to employee wellness. While each employer must chart their own course, the expanding therapeutic applications and potential price reductions suggest these medications will continue to be a crucial consideration in modern benefits packages.

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