

Medicare Coverage of Weight-Loss Drugs

Novo Nordisk's Ozempic and Wegovy (semaglutide) and Eli Lilly's Mounjaro (tirzepatide) were originally created to treat Type 2 diabetes, but they have a beneficial side effect: They suppress the urge to eat, and patients typically lose significant amounts of weight as a result.

In light of the fact that 41% of Americans have obesity and another 35% are considered overweight, demand has surged for these medicines. All that demand, however, has sparked a debate on how to pay for the expensive drugs and if Medicare should cover them.

None of these three medications costs less than \$10,000 a year. The list prices (before or without insurance) are:

- **Wegovy:** \$1,349 per package, which breaks down to \$270 per week, or \$16,188 per year.
- **Ozempic:** \$892 per month, on average, or \$10,704 a year.
- **Mounjaro:** \$1,023 per fill, which breaks down to \$256 per week, or \$13,300 per year.

While these prices are certainly dramatic, so is the weight loss that patients experience when taking these medications.

In a clinical study, 83% of adults taking Ozempic or Wegovy lost 5% or more of their weight, and 66% lost 10% or more. Clinical trials of taking Mounjaro for weight loss resulted in an average test-subject weight loss of 12 to 15%, while some lost up to 25% (or 30 pounds or more).

There's one catch with these medications: Once someone stops taking them, they typically gain the weight they lost back. In other words, most people who take them will have to stay on them to keep the weight off.

Another side effect of these medications is that people who take them say they no longer enjoy food and find no joy in cooking and eating delicious meals.

Whether or not Medicare Part B, Part D or a Medicare Advantage Plan with an attached Part D plan will cover the cost depends on what these medicines are prescribed for.

Coverage for weight loss

Unfortunately, the 2003 Medicare Modernization Act specifically bars Medicare from covering medication prescribed specifically for weight loss.

Medicare does cover obesity screening, weight-loss counseling and certain types of bariatric surgery for some people 65 and older who have obesity.

Diabetes treatment

To qualify for Medicare coverage, the three medications must be prescribed to treat diabetes and must be deemed medically necessary. Medical necessity means the drug is expected to improve or maintain the individual's health.

There are a few ways that Medicare may cover these medications in the above scenario:

- If administered in a medical setting, Medicare Part B may cover the cost of the drug.
- If you have Part D (drug plan) coverage, the insurance may cover it. Private insurers provide Part D plans, and coverage and cost-sharing requirements will vary between plans. Review your plan's formulary for coverage details or call the insurer.
- If you have a Medicare Advantage plan with an attached Part D plan, it may cover these medications. Like the above Part D plans, you should review your plan's formulary or contact the insurance company for confirmation.

Obesity and diabetes often run hand-in-hand, so the benefit of these medications to anyone who gets a prescription is that they may lose weight and improve their overall health.

The takeaway

Part D coverage policies vary among plans, so it doesn't hurt to review your plan's formulary or contact the insurance carrier for coverage criteria.

Meanwhile, pharmaceutical companies have been lobbying for Medicare to cover these medications, arguing that they can lead to significant weight loss, which can improve overall health and reduce medical conditions made worse by obesity.

Bipartisan legislation that would allow Part D plans to cover weight-loss medications was introduced in the House of Representatives in 2021, but went nowhere. During this current Congress, no such bill has been floated.

There are even more powerful drugs on the horizon. Eli Lilly just finished a mid-stage clinical trial on its experimental drug, retatrutide, finding that it helped people lose, on average, about 24% of their body weight — the equivalent of some 58 pounds.

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