Ozempic: The rising costs and coverage issues of weight loss medication

28 October 2024

Recently, medications like Ozempic and Wegovy, which can help with weight loss, have become very popular. However, some health insurance companies and employers are stopping coverage for these drugs because they are expensive.

Some commentators argue that this approach is unfair and that it's unlikely <u>insurance</u> companies would stop <u>coverage</u> for expensive medications used to treat other chronic illnesses. Some experts argue that the position being adopted by some insurers is adding to the stigma around obesity.

Dr. Angela Fitch believes that pharmaceutical companies, insurers, and healthcare providers need to work together to create sustainable options for patients.

Obesity is a chronic condition requiring ongoing treatment. While GLP-1 drugs can be very helpful, they only work if the patient continues taking them. Dr. Fitch points out that people seeking quick weight loss might feel disappointed if they don't consider the long-term need for these medications. There are also concerns that the decision to stop funding such treatment could lead to higher costs down the line if obesity leads to other complications which are covered under policies.

What does this mean for insurers?

Insurers will no doubt be considering their own approach to the funding (or not) of such treatments. When deciding on their approach, insurers will need to weigh up a number of competing factors such as the cost of treatment, the potential long term costs of not funding treatment, and customers' expectations.

Contents

The Word, October 2024

Updates to the UK's Arbitration Bill

ICAEW: Changes to Pll requirements

What does the Employment Rights Bill mean for employment practices liability insurance?

Contractor insolvency: Peabody Trust v NHBC

Ozempic: The rising costs and coverage issues of weight loss medication

Insurability by design: Increased transparency for vehicle manufacturers and insurers

Author

Mark Hickson Head of Business Development

onlineteaminbox@brownejacobson.com +44 (0)370 270 6000

Tim Johnson Partner

tim.johnson@brownejacobson.com +44 (0)115 976 6557

Related expertise

Coverage disputes and policy interpretation

Policy drafting and distribution

© 2025 Browne Jacobson LLP - All rights reserved