



MODULE 3

act now

Ensure your employees' coverage for anti-obesity medications (AOMs) with an addendum or rider to your benefits offering

the **weigh**
forward ▶

Act Now to Help Control Healthcare Costs and Improve Employee Wellness

Regardless of your industry or occupation, **obesity affects your workforce**¹



In the United States, **>24 million** full-time employees (about 31%) **are affected by obesity**^{2,3,a}

- There are **various methods for weight loss**, from the noninvasive (diet, exercise, and behavioral modification) to the invasive (bariatric surgery)^{4,5}
- AOMs may be another appropriate, noninvasive weight-loss option for some of your employees⁶
 - Adding **AOM coverage can help fill the gap** in weight management options that may exist between diet and lifestyle modifications and bariatric surgery⁷

This module will take you through the steps needed to add an addendum or rider to ensure that your employees and their family members with obesity have coverage for AOMs.



“Lack of coverage for treatments for weight loss—including medical visits for overweight treatment, behavioral health intervention, anti-obesity medications and bariatric surgery—**is the single biggest obstacle** to dealing effectively with overweight and obesity at the employer level.”⁸

— **Louis J. Aronne, MD**
Director, Comprehensive Weight Control Program at Weill Cornell
Medicine Chairman, American Board of Obesity Medicine

“Employers can play an important role by changing their messaging, increasing access to treatments via benefit design, and exerting their leverage with the delivery system to align with evidence that **obesity needs to be treated as a medical disorder.**”⁸



^aAged ≥18 years.

Obesity Management Warrants a Stepwise Approach: AHA/ACC/TOS Guidelines^{9,a}

Treatment	BMI category (kg/m ²)				
	25-26.9	27-29.9	30-34.9	35-39.9	≥40
Diet, physical activity, and behavior therapy	Yes, with comorbidities	Yes	Yes	Yes	Yes
Pharmacotherapy		Yes, with comorbidities	Yes	Yes	Yes
Surgery				Yes, with comorbidities	Yes

Lifestyle modifications must be part of any weight-loss intervention, but they are **not always sufficient** for maintaining weight loss

Does your health plan include AOMs as a treatment option for obesity?

ACC=American College of Cardiology; AHA=American Heart Association; BMI=body mass index; TOS=The Obesity Society.

“Yes” alone means that the treatment is indicated regardless of presence or absence of comorbidities. The solid arrow signifies the point at which treatment is initiated.⁹

Managing High-Cost Employees Is an Important Health Savings Strategy

High-cost claimants are a critical cost concern for employers

- The **sickest 6%** of an organization's employees represents nearly half of the total allowed medical and pharmacy spending¹⁰

Employers are focusing on high-cost claimants to help keep costs down¹⁰

Among US employers with ≥500 employees,



agree that helping high-cost claimants manage their care effectively was important or very important¹⁰

- Employers manage and monitor high-cost claimants to keep costs down and improve employee health¹⁰



"High-cost claims are clearly one of the issues that keep employer health plan sponsors up at night. Fortunately, **there are ways employers can improve the experience of employees and family members dealing with serious conditions, while also mitigating cost.** This can be done by helping to ensure that patients are receiving the right care, delivered in the right place at the right time."¹⁰

Obesity is a high-cost disease and employees having this condition are among your high-cost claimants.¹¹⁻¹⁴

Know Your Numbers: Obesity Is a High-Cost Disease, Yet Is Often Overlooked

Obesity is costing your organization more than you know

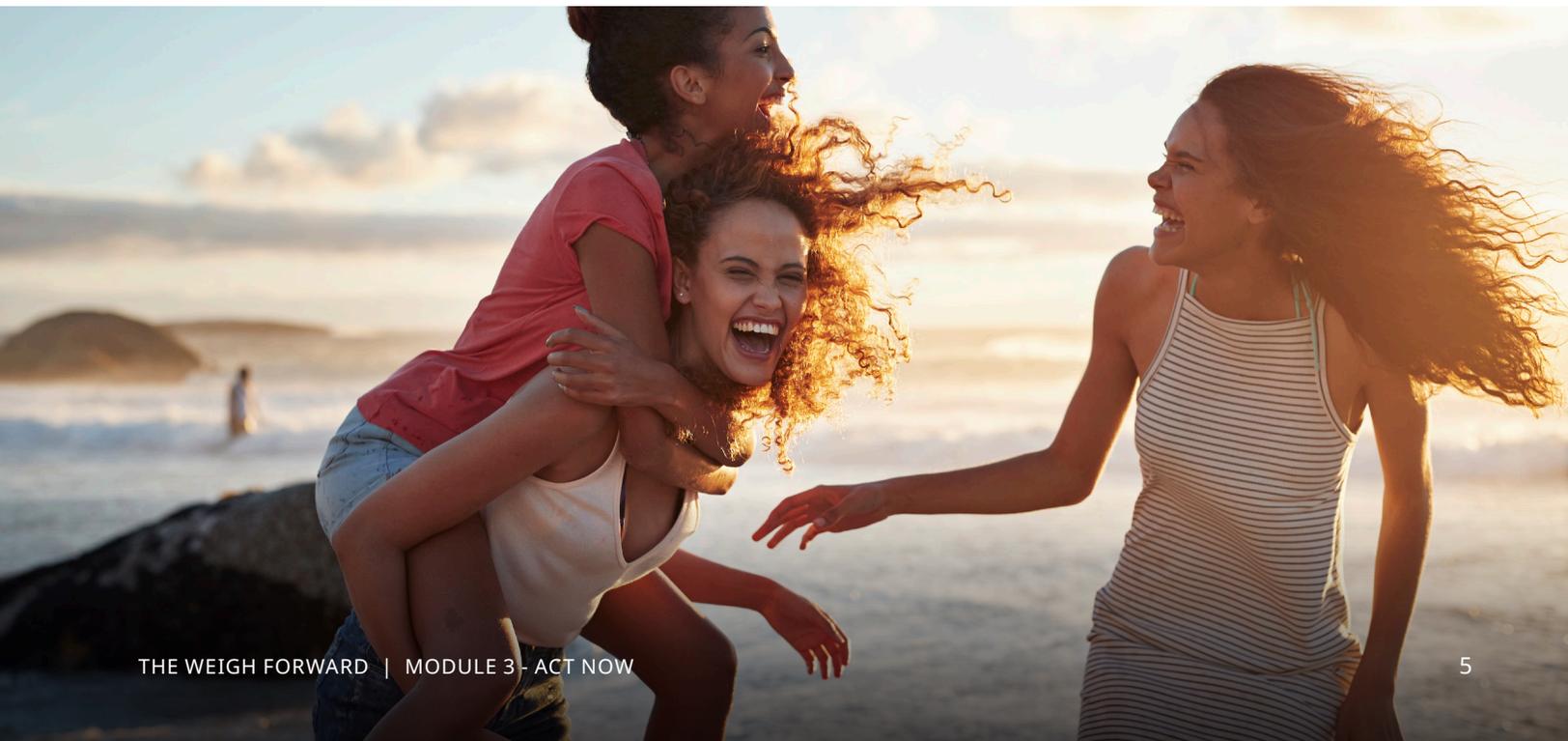
- As we have seen in Module 1, the effects of obesity have a distinct financial impact on employers

\$86.9 billion
is the aggregate cost of obesity
among full-time employees in
the United States.^{13,15,a}



This is roughly equivalent
to the cost of hiring
1.75 million
additional workers per year
at **\$49,760** each.^{13,15,16}

^aAccording to data from a 2006 survey and adjusted to 2019 inflation rates.



A Step-by-Step Guide to Ensure Your Health Benefits and Pharmacy Plan Cover AOMs

Taking these steps can help you overcome health benefits plan and pharmacy benefit manager (PBM) barriers and enable employees to gain access to AOMs



Remove Any Health Benefit Plan Exclusions That Deny AOM Coverage

1. Find and review the “Summary Plan Description” for your current health plan(s).
2. Find the “Exclusions” section(s) of the Summary Plan Description that may have language that excludes AOMs from coverage.

Exclusions in the current benefit plan that prohibit AOMs must be canceled, struck, removed, or precluded by means of a rider to the current policy.



Find and Remove PBM “Not Covered” Barriers to AOM Coverage

1. Look at the beginning of your PBM contract for documents such as “Plan Design Document” or “Benefit Specification Form.”
2. Within these documents, find the section(s) in which you can check a “Yes” box to instruct your PBM to cover AOMs. **See Table 1** for an example for AOMs.

Table 1

Category	Covered	Not covered	Covered with letter of necessity	
			Yes	No
Weight-loss drugs				
Generics				
Brands				

Continued on next page.

A Step-by-Step Guide to Ensure Your Health Benefits and Pharmacy Plan Cover AOMs (cont'd)



Select Appropriate PBM Prior Authorization (PA) for AOM Coverage

1. The FDA labels for AOMs specify the target populations that qualify for therapy: BMI ≥ 30 kg/m² or BMI ≥ 27 kg/m² with comorbidities, eg, hypertension, diabetes.
2. Find the PA section within the “Plan Design Document” or “Benefit Specification Form” currently in effect with your PBM.
3. Check the appropriate coverage box to incorporate appropriate PA coverage requirements for AOMs. See **Table 2** for an example.



Remove or Minimize Financial Access Barriers Caused by Tier Placement

1. Examine your formulary to make sure AOMs are not in a formulary tier that has financially prohibitive copays or coinsurance.
2. Increase employees’ financial access to AOMs by putting them in Tier 2 or lower.

Table 2

Generics	Drug name	Criteria	Covered with PA	Covered without PA	Not covered
AOMs	Generic AOM	Documentation of Medically Accepted Criteria (DMAC)			
	Branded AOM	DMAC			

Addenda and riders are tools you can use to make a change or addition to your employee health plan.

FDA=US Food and Drug Administration.

Reviewing Coverage Types: Opt In vs Opt Out and Standard Listing

Opt in

- This type of benefit program requires an employer to **actively request coverage** for a particular treatment
- An employer may need to obtain coverage for a given treatment via a **rider or addendum** to its insurance policy



Opt out

- This type of benefit program **automatically enrolls an employer** in AOM coverage (as if it were a standard listing)
- The employer needs to opt out to receive savings

Standard listing

- When an insurer includes a specific treatment on its formulary as a **standard covered benefit**

If a health plan shifts toward opt-out coverage or standard listing, it can make it easier for employees to receive treatment.



Adding Addenda and Riders Helps Ensure Coverage for AOMs

Addenda and riders can extend coverage for a benefit, service, or drug beyond the core offerings of a health plan or PBM

- Health plan and PBM core services do not always cover AOMs
- Adding an addendum or rider enables employers to elect coverage for AOMs
- In order to retain customers, most health plans and PBMs will support addenda or riders



Addendum

(self-insured health plans)

An addendum provides supplemental coverage to a base health plan policy and can be incorporated at any time.



Rider

(fully insured health plans)

Subject to both state policies and deadlines, riders are additions to a base health plan policy that expand coverage.

Collaborating with payers or employee benefit consultants (EBCs) to add coverage for an AOM can benefit your employees.

Employers Control Their Benefit and Formulary Design

- Employers using either self-insured or fully insured health plans have the power to control their benefit offerings and expand coverage to include AOMs
- Each insurance model, as shown below, will take a separate path using different tools to achieve coverage goals for employees and their dependents

How to expand coverage for AOMs	Self-insured health plans	Fully insured health plans
	Create AOM addendum	Create AOM rider
What employers need to know	<ul style="list-style-type: none"> • If AOMs are not included on a PBM's national formulary, an employer will be required to customize its benefit plan using an addendum • Addenda range from simple to complex depending on the health plan or PBM • All contracts are different. Employers should discuss their individual addendum process with their EBC or PBM to understand how to incorporate AOM coverage into their benefit design 	<ul style="list-style-type: none"> • Employers must get approval to file a rider from a state insurance authorization agency • Each insurance company has its own unique regulatory process • Employers may implement a rider directly with their health plan or PBM, but this procedure is most successful with help from an EBC • Employers may need to wait until the following calendar year or the next open enrollment period to instate a rider unless the health plan allows for periodic formulary reviews
How EBCs can assist	<ul style="list-style-type: none"> • Self-insured plans may rely on EBCs to perform cost analyses, to determine pricing, and to design the addendum benefit 	<ul style="list-style-type: none"> • Helping to define contract terms with the health plan or PBM • Validating actuarial cost analyses • Facilitating rebates

It's important to communicate your coverage decisions to your employees, their providers, and health systems. In the pages that follow, we will explore 2 easy-to-use letter templates to help announce new coverage options, such as AOMs.

Communicating Employee Benefit Decisions

How you can tell your employees, providers, and local health systems about AOM coverage

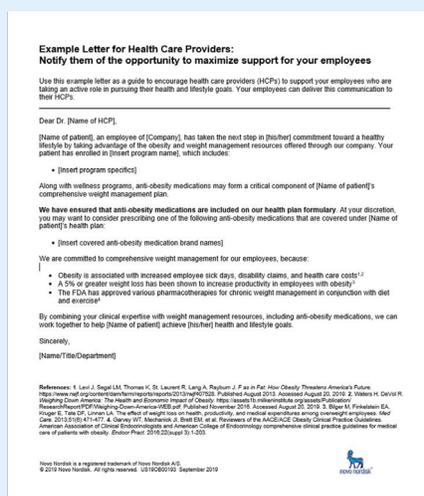
- Once you have the AOM benefit offering in place, it's important to communicate this new coverage to maximize your investment in support of employee health
- There are 2 templates provided: one for employees to submit to healthcare providers and one for employers to submit to health systems (see next page)

Example letter (or email) to healthcare providers from employees

- Have your employees use this communication to **notify their healthcare providers** that they are covered under your benefit plan and have access to AOMs
- The template emphasizes your commitment to helping your employees achieve their health and wellness goals, and that healthcare providers play a key role in doing so

Making use of the letter

- Use the template as a guide; **feel free to adapt** the content to suit your needs
- If using a letter, place it **on your own company letterhead**
- **Give the letter to your employees** to take to their healthcare providers



Templates for the healthcare provider and health system letters are available on a thumb drive from your representative.

Communicating Employee Benefit Decisions (cont'd)

Example letter (or email) to health systems

- Use this communication to **notify local health systems that AOMs are now covered** for your employees
- It's important to alert local health systems to the positive actions taken by your employees to improve their health
- This template will help to ensure that the **medications** your employees may need **are made available** to them

Making use of the letter

- Use the template as a guide and **feel free to adapt** the content to suit your needs
- If using a letter, place it **on your own company letterhead**
- In addition to sending the letter (or email), you may want to **arrange a meeting with health system leadership** to discuss what you can do together to benefit employees

Example Letter for Local Health Systems:
Notify them of the benefits you offer your employees

Use this example letter as a guide to notify local health systems of the steps your employees are taking to improve their health through weight management programs. Discuss the importance of utilizing the benefits you provide your employees and suggest forming a partnership to see what you can accomplish in addressing obesity together.

Dear [Name],

Helping our employees at [Company] to achieve their health and lifestyle goals is a top priority. Network providers in your health system care for many of our employees, and we view this as a great opportunity to form a partnership to improve the health of our employees and your patients. Our employees are taking advantage of the obesity and weight management resources offered through our company, which include:

- [Insert resource names]

Along with these resources, anti-obesity medications may form a critical component of their comprehensive weight management plan.

We have ensured that anti-obesity medications are included on our health plan formulary and wanted to notify you as well. Please consider the following medication(s) for employees of [Company]:

- [Insert covered anti-obesity medication brand names]

We are committed to comprehensive weight management for our employees, because:

- Obesity is associated with increased employee sick days, disability claims, and health care costs^{1,2}
- A 5% or greater weight loss has been shown to increase productivity in employees with obesity³
- The FDA has approved various pharmacotherapies for chronic weight management in conjunction with diet and exercise⁴

By combining your clinical expertise with weight management resources, including anti-obesity medications, we can jointly help your patients achieve their health and lifestyle goals. We would be grateful for the opportunity to discuss what we can do together to benefit our employees within your network.

If you are interested, please contact us at [Phone number/email address].

Sincerely,
[Name/Title/Department]

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Module 4 includes additional information and resources to help you more fully encourage employees with obesity to take action.

Act Now to Help Improve Employee Health and Contain Costs: Summary

Choosing to cover AOMs can have a positive impact on your company and your employees' health. Addressing obesity is important because

- The effects of obesity have a **distinct financial impact** on employers, with aggregate costs of more than \$86.9 billion in the United States^{13,15}
- Obesity may be a contributing factor to many comorbidities that drive up medical and **pharmacy expenditures** in your organization
 - Reach out to your Novo Nordisk Account Manager for a demonstration of the Impact of Excess Weight tool and to understand how the tool can benefit your organization
- Weight loss reduces the risk of obesity-related comorbidities and may lead to **associated cost savings**¹⁷

Adding AOM coverage with an addendum or rider to your benefits offering is an effective strategy for containing obesity-related costs that underscores your commitment to helping your employees achieve their health and wellness goals.



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