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the **weigh forward** ▶▶

MODULE 3

Adding and Managing AOM Coverage

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



Act now to help control healthcare costs and improve employee wellness



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



More than **65% of full-time adult employees** have obesity or overweight^{2,a,b}

- There are **various methods for obesity management**, from the noninvasive (diet, exercise, and behavioral modification) to the invasive (bariatric surgery)^{3,4}
- AOMs may be another appropriate weight-management option for some of your employees⁵
 - Adding **AOM coverage can help fill the gap** in weight-management options that may exist between diet and lifestyle modifications and bariatric surgery⁶

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 overweight and obesity have coverage for AOMs.

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The importance of obtaining coverage for AOMs⁷

“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.”

— 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.**”

Employers are generous in making a wide range of obesity treatment options available to their workforce, with ~50% providing coverage for prescription AOMs as of January 2024.^{8,9}

^aData from the National Center for Health Statistics' National Health Interview Survey (2018). Age-adjusted percent distribution of body mass index among adults aged 18 and over, by selected characteristics.

^bFull-time employment is 35 or more hours per week.



Obesity is a high-cost disease yet is often overlooked

Obesity may be 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.^{10,11,a}



This is roughly equivalent to the cost of **hiring 1.7 million** additional workers per year at **\$51,170** each.¹⁰⁻¹²

Employees want AOM benefits

Among survey participants from a 2024 trend report from 9amHealth^{13,b}:

- **5.28%** were **very likely** to change jobs in order to obtain AOM coverage
 - **15.47%** were **likely** to change jobs
- **31.12%** said keeping coverage of AOMs was **extremely important** when it came to taking or staying at their current job
 - **36.25%** said it was **very important**
 - **22.66%** said it was **somewhat important**
- **33.57%** said they were **very likely** to stay at a job they did not like in order to sustain coverage for AOMs
 - **33.94%** said they were **likely** to stay
- **53%** ranked **coverage for AOMs** as a **top 5 job perk** of importance

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

^bOnline survey of 1300 nationally representative people in the United States conducted in December 2023.¹³



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AOM coverage is an essential component of a comprehensive obesity benefits program

Using these 5 obesity-related treatment modalities where appropriate is optimal

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Screening and prevention

- Screen all adults annually for obesity^{5,14}
- Measure waist circumference when screening patients with obesity for comorbidities⁵
- Offer or refer eligible patients to comprehensive lifestyle intervention¹⁵



Comprehensive lifestyle intervention

- Multicomponent behavioral interventions for adults with overweight (BMI ≥ 25 kg/m²) or obesity (BMI ≥ 30 kg/m²) that include^{14,15}:
 - Behavioral therapy
 - Increased physical activity
 - Reduced-calorie diet



Pharmacotherapy support

- Pharmacotherapy prescribed as an adjunct to lifestyle interventions in appropriate patients^{5,14}
- Access consistent with FDA-approved indications¹⁶



Bariatric surgery (for obesity and obesity-related comorbidities)

- Eligibility consistent with obesity treatment guidelines⁵



Weight maintenance

- Ongoing tracking and documentation of weight status¹⁴
- ≥ 2 visits per year (1 with PCP; 1 with dietitian)

BMI=body mass index; FDA=U.S. Food and Drug Administration; PCP=primary care physician.

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**

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

A stepwise approach to ensure your health benefits and pharmacy plan cover AOMs

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



Step 1

- Remove health benefit plan exclusions that deny AOM coverage
- Find and remove PBM “not covered” barriers to AOM coverage



Step 2

Determine appropriate AOM coverage criteria (eg, prior authorization (PA) and tier placement)



Step 3

- Add AOM coverage with an addendum or rider
- Addenda and riders are tools you can use to make a change or addition to your employee health plan



Step 4

Communicate AOM coverage to employees, providers, and health systems

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STEP 1

Remove health plan and/or PBM barriers that deny AOM coverage

Benefit plan

Remove any health benefit plan exclusions that deny AOM coverage

1. Find and review the “Summary of Benefits and Coverage” for your current health plan(s).
2. Find the “Exclusions” section(s) of the Summary Benefits and Coverage 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 an addendum or rider to the current policy.

PBM

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 below** for an example for AOMs.

| Category | Covered | Not covered | Covered with letter of necessity | |
|----------|---------|-------------|----------------------------------|----|
| AOMs | | | Yes | No |
| Generics | | | | |
| Brands | | | | |

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STEP 2

Determine the appropriate AOM coverage criteria and tier placement

Coverage criteria

Select appropriate PBM PA for AOM coverage

1. PA criteria may have certain BMI and comorbidity (eg, hypertension, diabetes) requirements.
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 below** for an example.

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

Tier placement

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 on a favorable formulary tier.

STEP 3

Add AOM coverage with an addenda or rider

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



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.

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STEP 3 (cont'd)

Creating an AOM addendum

Employers using self-insured health plans have the power to control their benefit offerings and expand coverage for employees and their dependents

| How to expand coverage for AOMs | Self-insured health plans |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Create AOM addendum |
| What employers need to know | <ul style="list-style-type: none">• If AOMs are not included in 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 |
| How EBCs can assist | <ul style="list-style-type: none">• Self-insured plans may rely on EBCs to perform cost analyses, determine pricing, and design the addendum benefit |

It's important to communicate your coverage decisions to your employees, their providers, and their health systems.

Creating an AOM rider

Employers using fully insured health plans have the power to control their benefit offerings and expand coverage for employees and their dependents

| How to expand coverage for AOMs | Fully insured health plans |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Create AOM rider |
| What employers need to know | <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 initiate a rider unless the health plan allows for periodic formulary reviews |
| How EBCs can assist | <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 their health systems.

STEP 4

Communicate AOM coverage to employees, providers, and health systems

Maximize your investment in support of employee health by communicating new AOM coverage for appropriate employees

- **Novo Nordisk provides 2 sample email templates:** one for employees to submit to healthcare providers and one for employers to submit to health systems



Example letter (or email) to healthcare providers from employees

- Encourage your employees to 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, and the key role of healthcare providers in, helping your employees achieve their health and wellness goals
- **Give the letter to your employees** to take to their healthcare providers

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



Example letter (or email) to health systems from employers

- Use this communication to **notify local health systems that AOMs are now covered** for your employees
- This template will help to ensure that the **medications** your employees may need **are made available** to them
- 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

Making use of the letters

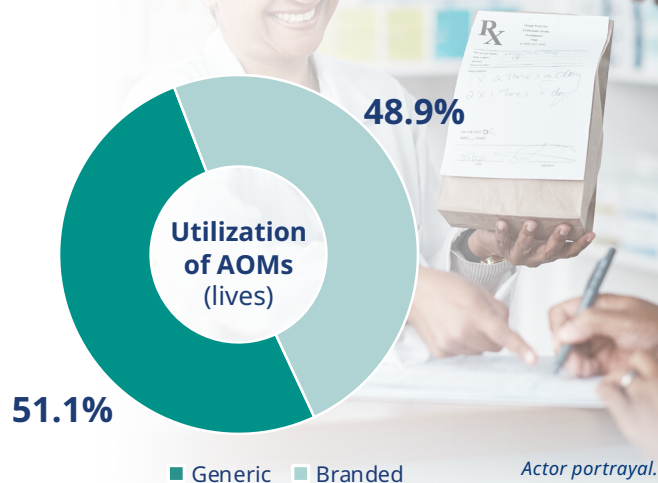
- Use the templates as guides; **feel free to adapt** the content to suit your needs
- If using either of these templates, place them **on your company letterhead**
- The templates are available on **NovoNordiskWorks.com** in the **Resource Library**

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Estimating AOM utilization based on real-world evidence^{9,a}

For a sample plan of 1,000,000 lives...

| | Number of lives |
|-------------------------------------------------------------------------------------------------------------|-----------------|
| Adults with obesity (BMI ≥ 30 kg/m ²) | 321,262 |
| Eligible adults with BMI 25 kg/m ² to 29.9 kg/m ² and 1+ weight-related comorbidities | 123,666 |
| Total adults eligible for AOM use | 444,928 |
| 6.3% AOM utilization rate | ~28,030 |



Summary: Acting now may help improve employee health and contain costs



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 among full-time employees in the United States^{10,11}
- Obesity may be a contributing factor to many comorbidities that **drive up medical and pharmacy expenditures** in your organization
- Reducing obesity can reduce the risk of certain obesity-related comorbidities and may lead to **associated cost savings**¹⁷

Adding AOM coverage with an addendum or rider to your benefits offering can be done at any point during the year^b and may be an effective strategy for containing obesity-related costs that underscores your commitment to helping your employees achieve their health and wellness goals.



If you are working with an EBC, you may want to provide them with this module as a roadmap to ensure AOM coverage.

^aBased on a duration of therapy of 3 to 7 months and calculations that factor in market share mix, costs of branded and generic AOMs, prescription utilization per year, and rebates and employee contributions.

^bNot all riders or addenda are immediately effective, as some have waiting periods.

Actor portrayal.

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