

# Unlocking savings:

## Tackling the obesity cost challenge

### Strategies for a healthier workforce and bottom line

One-third of U.S. full-time employees have obesity.<sup>1</sup> This ends up costing organizations, as medical claims are twice the amount for those with obesity.<sup>2</sup> These costs are a hard pill to swallow, especially with more tools available than ever. And now, employers have the added complexity of finding the right strategy for newer, more expensive weight-loss medications. But by understanding the biggest cost drivers behind obesity—both direct and indirect medical costs, the cost of weight-loss medications, and ineffective solutions—employers can simultaneously improve the health of their people and their bottom line.

**44M+**  
**U.S. full-time employees have obesity<sup>1</sup>**

# Hurdle 1: The impact of obesity on employer health-care costs

Chronic and mental health conditions account for 90% of the nation's annual health-care spend.<sup>3</sup> We know that obesity is an underlying factor for many of these health issues. But it's not all bad news. With the right tools, such as behavior change programs or weight-loss medications paired with lifestyle intervention, the path to better health is more attainable than ever.

## The heavy hitters: Direct costs.



**Type 2 diabetes:** Diabetes is a costly chronic disease with a direct correlation to obesity. With 15% weight loss, there's a **90% reduction in type 2 diabetes risk**, but for those already diagnosed, there's a **70% reversal**.<sup>4,5</sup> Let that sink in—a 15% reduction in weight can significantly reduce the prevalence of type 2 diabetes.



**Heart disease:** Cardiovascular disease, the leading cause of death for decades, is another expensive chronic condition tied to obesity.<sup>6</sup> Yet with a 9% weight reduction from weight-loss medications, the **risk of heart attack and stroke decreases by 20%**.<sup>7</sup> This can have a huge impact on your people—saving money from costly interventions and more importantly, saving lives.



**Mental health:** Untreated mental health concerns are costly for your organization and, unfortunately, obesity has a direct impact on mental wellness. For example, **obesity increases the risk of depression by 55%**,<sup>8</sup> which is why weight-loss solutions that also address stress, resilience, and coping mechanisms are key to improving both the mental and physical well-being of your people.

## The ripple effect: Indirect costs.



**Absenteeism:** Employees with obesity exhibit **9.3% higher absenteeism**.<sup>9</sup>



**Productivity:** Workers with obesity experience over **twice as many work limitations** compared to their counterparts without obesity, diminishing overall workforce productivity.<sup>10</sup>



**Short-term disability:** Employees with obesity-related disease are **twice as likely** to file short-term disability.<sup>11</sup>



**Worker's compensation:** Claims from workers with obesity are **1.6x higher** than those without obesity, further underscoring the substantial financial consequences of obesity in the workplace.<sup>12</sup>

## Solution: The new frontier of obesity treatment.

The latest weight-loss medications, especially when amplified by behavior change, are demonstrating never-before-seen results with an impact on a wide range of chronic conditions. In addition to diabetes, heart disease, and mental well-being, there's emerging science showing benefits to a number of other costly conditions:<sup>13</sup>



KIDNEY HEALTH



LIVER HEALTH



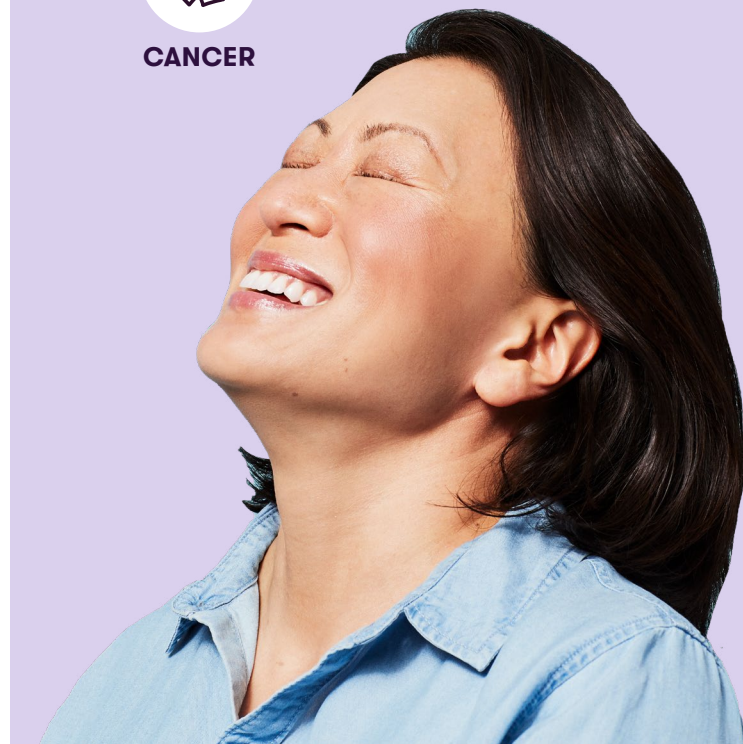
DEMENTIA



MUSCULOSKELETAL  
(MSK)



CANCER



## Hurdle 2: Weight-loss medications are expensive

With the rise of obesity rates, demand for GLP-1s has gone through the roof. Employers are weighing the potential benefits of the reduced risk of obesity-related disease against the upfront cost of weight-loss medications. Additionally, there are several factors contributing to the potential high cost of these medications:



**Cost of GLP-1s:** The latest generation of GLP-1 weight-loss medications may have an average weight loss of 22%, but they also have a hefty price tag, some over \$1000 a month.<sup>14</sup> The cost of these drugs is financially unsustainable, especially since these medications are not intended for short-term use.

**High demand:** There is a discrepancy between weight-loss medication workplace supply and demand, as only 22% of employers offer coverage on weight-loss medication while 44% of employees would leave their job to gain coverage for obesity treatment.<sup>15,16</sup> Covering these desirable medications could be key in retaining and wooing talent in this employee-driven job market.

**Focus on GLP-1s:** These newer GLP-1 medications might be dominating headlines, but there is a full range of weight-loss medications outside of GLP-1s. More affordable options can be a better fit for many individuals. Not using the full-spectrum of weight-loss medications can be both clinically detrimental and unnecessarily costly.

**Medications do not treat the root of obesity:** These medications may address the scale, but they do not address a person's lifestyle, behaviors, or motivations. Using these medications without getting to the root cause of obesity and address behavior change can lead to early drop-off, lack of engagement, and weight gain – all racking up additional costs.

*“These weight-loss medications have the potential to revolutionize health outcomes, and employers should keep a close eye on their developments for the benefit of their workforce and the bottom line.”*

**- Dr. Tim Church MD, MPH, Ph.D., Wondr Health Chief Medical Officer**

## Solution: Get flexible with your plan design

Rather than excluding the benefit of weight-loss medications, employers can adjust their plan design with the following to provide adequate care for their people while responsibly managing this economic burden.

**Offer a full-spectrum of weight-loss medications beyond just GLP-1s:** There are many more affordable weight-loss medications outside of GLP-1s that have been around for years. It is important to leverage the full range of weight-loss medications, to ensure individuals get the right treatment based on their unique needs. Not using the full-spectrum of weight-loss medications can be both clinically detrimental and unnecessarily costly.

**Consider a step-therapy approach:** There is no “one-size-fits-all” approach to weight-loss medication, and GLP-1s should not necessarily be the first line of defense. Consider using GLP-1s only when other medication protocols have failed and prescribe the most cost- and clinically effective drug, considering the patient’s whole health.

**Evaluate eligibility criteria:** Even outside of the strict criteria that individuals must meet to be considered eligible for a prescription, GLP-1s are not the right choice for everyone. Consider offering this class of drugs only to the most acute participants in your population. When prescribing weight-loss medication, a provider also should consider co-morbidities, contraindications, drug indications, and more affordable alternatives to ensure optimal results for every patient.

**Require a comprehensive behavior-change program:** While GLP-1s are game changers, they do not address underlying behaviors, which often are the root cause of weight gain, and anyone who discontinues a weight-loss medication without additional support is likely to regain weight. Adding a comprehensive behavior-change program can lead to sustained weight loss, improved physical health, and increased quality of life.



The future of  
weight loss:

**THE POWER  
OF 15%**

With the rise of weight-loss medications, a **15-20% weight loss will become the new norm.** And who would not want to shed a few unwanted pounds? But here’s the thing: weight-loss medications’ biggest impact is not actually weight loss—it is helping people live better, healthier, and longer lives.



## Hurdle 3: Your solutions are costing you

There is a discrepancy between what works in theory and what will engage a population. Only 17% of employees with obesity viewed wellness programs as beneficial, compared with 72% of employers.<sup>17</sup> So, what is causing the disconnect?

**Too many point solutions:** 50% of organizations work with four to nine digital health solutions, which can be overwhelming for organizations and individuals, resulting in underutilization of benefits.<sup>18</sup>

**Low engagement:** Preventive and chronic care often takes a backseat, with 63% of employees opting not to use their preventive care benefits and 83% not utilizing available care for a chronic condition.<sup>19</sup>

**Lack of awareness:** In a recent study, only 13% of employees with obesity were aware that their employer offered coverage for weight management, including weight-loss prescriptions.<sup>17</sup>

**Weight stigma and bias:** Many solutions on the market contain underlying implicit biases such as diet-culture language, and materials or language that are not weight-inclusive. This perpetuates the obesity cycle.<sup>20</sup>



## Solution: A comprehensive solution that checks the boxes for clinical, cultural, and financial ROI.

**Clinical:** What is the impact on the health of your population and ultimately, health-care expenses? Look for solutions that target metabolic syndrome, a cluster of risk factors that increase the likelihood of heart disease and diabetes and deliver clinical improvements in weight, hypertension, pre-diabetes, and type 2 diabetes.

**Cultural:** How can this program improve engagement among your population? Look for solutions that deliver quality of life improvements in factors like physical activity, sleep, confidence, energy, and mood.

**Financial:** For each pound of excess weight your employees carry, your organization pays \$82 in medical and disability costs annually.<sup>21</sup> Look for solutions that have a third-party validated analysis of ROI due to decreased health-care claims.

## A brighter, healthier future

The hidden costs of obesity, ranging from increased medical claims to reduced productivity, absenteeism, and chronic conditions, present a substantial challenge for businesses. Complicating matters are the latest weight-loss medications. However, amidst these challenges, there is a path forward. By taking a multifaceted approach and embracing these outlined strategies, you can effectively manage obesity-related costs, prioritize employee well-being, and ensure long-term organizational success.

Learn more about Wondr Health solutions at [wondrhealth.com](https://wondrhealth.com).

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