

WHITE PAPER

Rethinking GLP-1s: A Smarter Path Forward for Self-Insured Employers

Strategies for Containing Costs,
Enhancing Compliance, and Supporting
MembersPayment Integrity

Executive Summary

GLP-1 medications have rapidly evolved from narrowly prescribed treatments for type 2 diabetes into widespread tools for weight management and broader metabolic health. What was once a specialized intervention for a specific patient population is now increasingly seen as a general wellness solution embraced by a growing segment of the population.

This shift is being fueled by expanded FDA approvals, off-label usage, and mounting consumer demand. GLP-1s are no longer confined to endocrinology clinics. They are being requested by younger adults, promoted by online influencers, and positioned as lifestyle enhancers. As a result, what began as an important option for diabetes care has become one of the most significant cost drivers in employer-sponsored health plans today.

With Drex, the pharmacy benefit solution from AMPS, self-insured employers are empowered to respond to these challenges with more than just coverage decisions. Our approach goes beyond the traditional PBM model to bring proactive strategies, integrated sourcing, clinical oversight, and compliance alignment into one powerful offering. This includes Drex+, a comprehensive cost mitigation platform that incorporates international sourcing, 340B access, manufacturer assistance programs, and infusion therapy optimization.

GLP1 use continues to rise, and the financial and compliance challenges facing employer plans are not going away. This is a pivotal moment for self-insured organizations to take a more intentional approach. Through Drex, employers gain a smarter, more flexible path forward. Our comprehensive strategy reaches beyond traditional PBM boundaries to deliver real cost containment, improved member experiences, and the legal support required to navigate what's next.

This white paper was developed for brokers, consultants, and TPAs who are navigating urgent conversations around GLP1s with their clients. It outlines the risks employers face, the cost trajectory of these medications, and the regulatory requirements now expected of fiduciaries. It also shares how AMPS is equipping employers with solutions that are clinically sound, financially defensible, and member-centered.



Market Trends and Statistics

- **26% of Americans** plan to use GLP-1s as part of their health goals in the coming year (Tebra, 2024)
- **37% of Gen Z** say they plan to use GLP-1s, showing strong generational demand (Tebra, 2024)
- **U.S. list prices** for GLP-1s average \$936 to \$1,349 per month KFF, 2024
- **24% of users** have full insurance coverage (Tebra, 2024)
- **66% of Americans** believe GLP-1s are more effective than diet and exercise alone (Tebra, 2024)

The GLP-1 Boom: What's Really Happening

GLP-1 receptor agonists have rapidly evolved from their original use in type 2 diabetes management to become a dominant force in weight loss and metabolic health strategies. Medications like Zepbound®, Saxenda®, Ozempic®, Wegovy®, and Mounjaro® have seen explosive growth in prescriptions, driven by expanding clinical indications, cultural visibility, and increasing consumer demand.

This surge is not just a short-term trend. It reflects a lasting shift in how members, providers, and employers approach chronic condition management. For self-insured employers and benefit consultants, the rise of GLP-1s signals a new era of pharmacy benefit planning that requires proactive strategy and cross-functional oversight.

Key Drivers of the GLP-1

- **Expanding clinical use:** GLP1s are now FDA-approved for both type 2 diabetes and chronic weight management. Certain GLP1s have gained indications for sleep apnea, cardiovascular conditions, and metabolic dysfunction-associated steatohepatitis (MASH). Additionally, clinical trials are underway to assess their effectiveness in treating polycystic ovarian syndrome (PCOS), Alzheimer's Disease, and even addiction.
- **Generic product availability:** As product patents continue to expire over time, the availability of generic GLP-1s has the potential to shift prescribing patterns and payer approaches to coverage.
- **Mainstream consumer interest:** Visibility in pop culture and widespread promotion by influencers have turned GLP-1s into household names. One in four Americans report plans to use them, and interest is highest among younger adults.
- **High perceived value:** Patients increasingly see GLP-1s as more effective than lifestyle changes alone, placing pressure on HR teams to offer access.
- **Cost inconsistency and coverage gaps:** Many plans still do not cover these drugs, leaving members facing monthly costs that can exceed \$1,300. Coverage is uneven and creates confusion and dissatisfaction.

For brokers, consultants, and TPAs, this shift requires more than clinical understanding. It demands strategic solutions that address clinical appropriateness, financial sustainability, and member expectations, all at once.

Employer Risk Exposure and Plan Vulnerabilities

GLP-1s are creating a uniquely difficult challenge for self-insured employers. These medications are expensive, high in demand, and emotionally charged in coverage decisions. Left unmanaged, they present substantial risk: financial, legal, and reputational.

Top Risks for Employer Plans

Risk	What's Happening	How Drexia is Addressing It
Runaway Costs	Plans are seeing 10% to 15% increases in pharmacy trend lines due to GLP-1 spend.	Drexia+ Introduces international sourcing, 340B, and Manufacturer Support Programs.
Policy Confusion	Inconsistent plan language is creating uncertainty for HR teams and members.	Drexia develops clearly written GLP-1 policies with decision support for clinical teams.
Legal Exposure	Fiduciary litigation and audits arising due to a lack of oversight and justification.	AMPS provides in-house legal counsel and audit-ready documentation for every strategy.
Lifestyle Use Creep	GLP use is expanding outside of clinical need, driving unnecessary plan costs.	Drexia applies evidence-based prior authorization, member engagement, and clinical guidance.
Opaque Pricing Structure	Traditional PBMs often withhold data on pricing, rebates, and total cost of ownership.	Drexia offers full transparency across cost components, sourcing, and savings documentation.

Plans that do not act proactively may find themselves struggling to contain costs or defend decisions under legal review. Drexia is designed to prevent this scenario with a strategy-first approach to GLP1s.

The Hidden Challenge: Abandonment Rates and the Cost of Therapy Failure

While GLP1s are not intended to be long-term therapies for all patients, the data shows widespread discontinuation. High abandonment rates represent one of the most overlooked and costly issues for employer-sponsored plans.

When members discontinue early, plans absorb significant spend without clinical benefit.

What the Data Shows

Early discontinuation

- 30 percent of patients stop GLP1 therapy within the first four weeks, often before reaching a therapeutic dose
- These early failures produce the highest cost with the lowest value

Longer-term discontinuation

- 50 to 75 percent discontinue within 12 months
- Members without diabetes have discontinuation rates of 65 percent, compared to 47 percent among diabetic populations

Key drivers of abandonment

- High out-of-pocket costs and prior authorization hurdles
- Gastrointestinal side effects
- Access barriers such as medication shortages
- Unrealistic expectations shaped by social media



Why Abandonment Matters

When a member discontinues:

- The plan has incurred several months of high spend
- No sustained clinical benefit has been achieved
- The member may cycle into additional GLP1s or weight loss programs
- Dissatisfaction increases if coverage tightens
- Employers face fiduciary questions around value oversight

How Drexī Reduces Abandonment Risk

Drexī's integrated approach includes:

- Evidence-based prior authorization to prevent inappropriate starts
- Member education that sets accurate expectations
- Access to lower-cost sourcing options that improve therapy persistence
- Monitoring tools that help identify at-risk members early
- Documentation that supports defensible coverage decisions

Abandonment is not just a utilization issue. It is a structural plan-design challenge, and Drexī equips employers to address it.



Why Drexī Provides a Better Path Forward

Most PBMs take a reactive approach to GLP-1s, focusing solely on exclusions, prior authorizations, or discount cards to give the appearance of mitigating cost and still providing a benefit to members. This short-sighted strategy and while it may reduce short-term costs, it leaves employers exposed to long-term risk, dissatisfied members, and leaves potential compliance gaps.

Without an integrated solution, employers are left trying to stitch together vendors and manage complex carve-outs. Drexī takes a more responsible and strategic approach.

This is not a one-size-fits-all model. Drexī helps advisors stand out by offering plans a modern, flexible approach built for both outcomes and oversight.

The Cost Reality and Why It Matters Now

The numbers speak for themselves. GLP-1s represent a category of drugs that can singlehandedly shift the financial trajectory of a plan.

Current GLP-1 Pricing Impact

- **Average monthly cost per member:** \$936 to \$1,349
- **Annual cost per member on therapy:** \$11,000 to \$16,000
- **Number of eligible employees:** As many as 40% of members qualify under expanded criteria
- **Forecasted market growth:** Over \$100 billion in annual global spend by 2030

With more members asking for GLP-1s and more clinicians prescribing them, this is not a passing issue. It is a trend that, left unchecked, could destabilize pharmacy budgets entirely.

Employers need a response that goes beyond exclusions or blanket denials. They need a structured path to reduce spend, ensure access when appropriate, and document every decision.



Drexī's Multi Layered Strategy for GLP-1 Cost Mitigation

Drexī builds every GLP-1 strategy around four core pillars that support cost containment, clinical integrity, and compliance. These pillars work together to ensure long-term sustainability.

Drexī's Key Strategy Pillarstion

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| 1. Clinical Oversight and Prior Authorization | <ul style="list-style-type: none"> ▪ Evidence-based criteria ensure appropriate use. ▪ Medical necessity reviews reduce lifestyle-only prescribing. ▪ Provider guidance helps explain coverage decisions. |
| 2. Alternative Sourcing with Drexī+ | <ul style="list-style-type: none"> ▪ International pharmacy networks offer equivalent drugs at lower prices. ▪ 340B participation and charity care programs lower out-of-pocket costs. |
| 3. Member Engagement and Education | <ul style="list-style-type: none"> ▪ Personalized communication supports adherence and expectations. ▪ Tools and resources demystify the coverage process. ▪ Drexī's mobile app improves transparency and trust. |
| 4. Full Transparency and Reporting | <ul style="list-style-type: none"> ▪ Employers receive real-time access to data on spend and trends. ▪ Custom dashboards track savings from each intervention. |
| 5. Legal and Fiduciary Support | <ul style="list-style-type: none"> ▪ In-house counsel ensures coverage policies are compliant. ▪ Every decision is backed by rationale and documentation. |

Together, these pillars form a sustainable, legally-defensible model that supports both the financial and ethical responsibilities of today's employer-sponsored plans.

Why Compliance Strategy Is Not Optional

The regulatory landscape is shifting quickly. Legal experts and federal agencies are increasingly scrutinizing employer-sponsored health plans, especially regarding high-cost pharmacy claims like GLP-1s. Recent litigation has made one thing clear: employers that fail to demonstrate active, documented fiduciary oversight of their pharmacy benefit strategy may be at elevated risk of audit, fines, or even class-action lawsuits.

Courts are now applying the same level of fiduciary scrutiny to pharmacy benefits as they do to 401(k) plans. In this new environment, plan sponsors are expected to justify their coverage policies, vendor choices, and cost-containment strategies using real data and documented decisions. This level of oversight is no longer a best practice. It is a legal obligation.

That's why AMPS built compliance into the foundation of the Drex solution model. We go beyond the typical PBM approach by offering built-in legal oversight through our in-house counsel team, trained specifically on ERISA and employer benefit compliance. Every strategy we build for GLP-1s is designed with legal defensibility in mind.

What Sets AMPS Apart

- **Compliance oversight is not outsourced:** AMPS employs in-house legal counsel dedicated to staying ahead of evolving regulations and legal risks in pharmacy benefits.
- **Every policy decision is supported by documentation:** We provide templates, rationale, and audit-ready records to help employers meet their fiduciary obligations with confidence.
- **Strategies are built for long-term protection:** Our model does not just reduce costs. It helps safeguard against legal exposure while supporting fair and consistent member access.

By embedding legal and regulatory compliance into the pharmacy benefit model itself, Drex helps employers not only save on GLP-1 costs but protect themselves from long-term legal exposure.



The Results Speak for Themselves

Drexī has implemented its GLP-1 cost mitigation model across a wide range of self-insured clients. The outcomes consistently prove that with the right oversight and strategy, employers can address GLP-1 cost inflation without sacrificing access or integrity.

Measurable Outcomes

- **63 percent PA approval rate**, ensuring clinically appropriate access.
- **35 to 50 percent cost savings per member per month** through multi-channel sourcing.
- **Documented compliance protocols** to reduce fiduciary exposure.
- **Positive member feedback**, driven by proactive support and clear education.

Drexī's model creates real value by reducing waste, ensuring legal defensibility, and creating a smoother experience for brokers, employers, and members.



A Future-Ready Model for a Shifting Market

In the coming years, a growing wave of obesity medications, metabolic therapies, and high-cost specialty drugs will continue entering the market. These treatments offer clinical potential, but they also bring volatility and skyrocketing costs that can destabilize self-insured health plans.

Employers that do not act now may face more serious financial disruption, member dissatisfaction, and regulatory exposure in the near future. The brokers and consultants who help their clients take meaningful action today will be recognized as forward-thinking partners, not just plan architects. TPAs that offer integrated, proactive pharmacy benefit strategies will become true differentiators in a market where employers are seeking more than claims administration. They are looking for trusted partners who can protect their plans and their people.



That is why Drexī was built to go Beyond everything we know about PBMs.

Unlike traditional PBMs that rely on opaque pricing, siloed services, and one-size-fits-all carve-outs, Drexī delivers an integrated, transparent solution that addresses the real challenges employers are facing with GLP-1s and beyond.

Our model includes Drexī+, a specialized cost mitigation platform designed to manage the most expensive and disruptive medications on the market. With options like international sourcing, 340B access, manufacturer assistance programs, and infusion therapy optimization, Drexī+ supports employers and their members with meaningful financial relief and personalized care strategies.

Why Brokers and Consultants Trust Drex

When brokers and consultants recommend Drex, they are not suggesting another legacy PBM. They are introducing their clients to a strategic partner with the infrastructure and expertise to manage cost, compliance, and care together.

- We provide measurable cost containment through transparent reporting and sourcing alternatives.
- We support fiduciary responsibility by delivering documentation, rationale, and ERISA-informed oversight with every decision.
- We enhance member experiences with clear communication, digital tools, and supportive education.
- We customize strategies based on each plan's goals, demographics, and budget needs.

With Drex, brokers and consultants are equipped to deliver smarter solutions that reflect the full complexity of today's pharmacy landscape.



Why TPAs Choose Drex

TPAs partnering with AMPS benefit from a pharmacy strategy that fits seamlessly within their larger plan management structure. Our Drex solution supports TPAs with:

- Custom implementation and plan design for each employer group.
- Integrated cost management tools that unify pharmacy and medical data for deeper savings.
- In-house legal and clinical expertise to simplify administration and strengthen compliance.
- Real-time reporting and data visibility that enhances service and improves client trust.

Our team works behind the scenes so TPAs can stay focused on service, innovation, and plan performance.

The Bottom Line

Pharmacy benefits are no longer a standalone conversation. They are now central to every employer's cost trajectory, compliance exposure, and employee satisfaction. GLP-1s were the catalyst, but they will not be the last.

With Drex, AMPS has created a solution that prepares employers, brokers, consultants, and TPAs for what comes next. We are not just adapting to the current market, we are helping shape what comes after it.

Let's move beyond traditional PBMs and build a stronger, smarter, more compliant future together.



Data Point

Footnote Marker – Source Claims

1	Tebra, “Weight Loss Medications and Wellness Resolutions”	“26% of Americans plan to use GLP Is ... 37% of Gen Z” and 66% believe GLP Is more effective than diet & exercise alone
2	A significant number of health plans (as high as 85% in recent industry reports) still lack centralized data strategies	Arcadia. Scaling Smarter: The Data Strategies Powering High-Performing Health Plans. August 2025. (Citing the finding that 85% of health plans still lack centralized data strategies).
3	Reworking a denied claim can cost providers and payers between \$25 and \$181 per claim, with labor accounting for nearly 90% of processing expenses	Journal of AHIMA. “Claims Denials: A Step-by-Step Approach to Resolution,” April 2022; Premier Inc. (Citing the range of cost per denied claim and the labor cost breakdown).
4	The total cost of claims adjudication is estimated at \$25.7 billion annually for providers	Premier Inc., as cited in Mirra HC. “Adjudication Costs Hit \$25.7B: 6 Strategies for Controlling Claims Expenses.” August 2025.
5	While some plans have denial rates reaching 19% or higher, the critical issue is defensibility. In many environments, 70% of denials are ultimately overturned upon appeal	KFF. “Claims Denials and Appeals in ACA Marketplace Plans in 2023.” January 2025 (Citing denial rates reaching 19%); and California Senate Bill 363 analysis, citing that over 70% of certain appealed denials are overturned in Independent Medical Review (IMR).
6	As more than 40% of Medicare beneficiaries are in VBC models	Health Care Payment Learning & Action Network (LAN) and CMS Innovation Center (CMMI) goals. (Citing the portion of Medicare beneficiaries in VBC arrangements or the target for VBC payments).