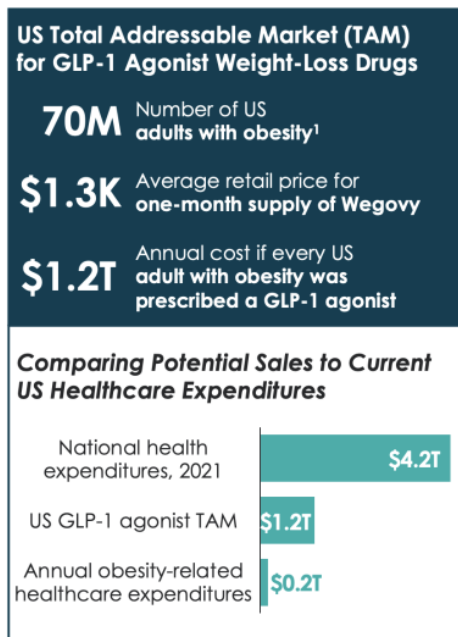


## How GLP-1 agonist drugs could change healthcare demand

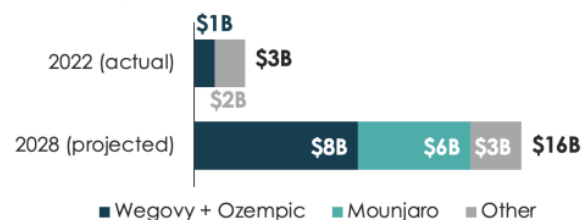
With more than **two in five** American adults considered obese, the potential for GLP-1 agonist drugs like Wegovy, Ozempic, and Mounjaro to revolutionize obesity treatment seems limitless. In the graphic below, we looked to quantify how much these drugs could potentially change healthcare expenditures and demand. Using **Wegovy's** list price of \$1.3K per month, **a GLP-1 drug prescription for every obese American adult would cost as much as \$1.3T annually—30 percent of total US healthcare expenditures.** Analyst **projections** of GLP-1 drugs forecast revenue to grow by over 5x by 2028, from \$3 billion to \$16 billion annually. While it's unlikely that every overweight American will access the drugs, growing use of GLP-1 agonists will likely drive down obesity rates, and downstream care demand could shift in expected and unpredictable ways. Demand for weight-related surgeries, including joint replacements and bariatric surgery, will likely drop. **Incidence of chronic diseases like diabetes and cardiovascular disease could also drop, potentially raising life expectancy.** But even if we're living longer thanks to the new drugs, we'll still die of something eventually: expect **a secondary rise in cancers and Alzheimer's, as well as surging demand for eldercare.** While these effects will take years to materialize, leaders planning for long-term care needs would be wise to consider scenarios where these and other potential "blockbuster" drugs may disrupt demand patterns and spending for a wide range of services.

### The Potential Impact of GLP-1 Agonist Weight-Loss Drugs

Treating Even a Portion of the 70M Adults with Obesity Could Change Healthcare Demand



### Actual and Projected Drug Sales for Obesity Treatments<sup>2</sup>



### Potential Consequences for Health Systems of the Weight-Loss Drug Revolution

- Reduced metabolic disease burden**
  - Obesity increases diabetes risk by at least 4x and hypertension risk by at least 2x
- Reduced demand for surgeries**
  - Risk of knee replacement is 8x greater with a BMI > 30 and 28x greater with a BMI > 35
- Longer life expectancy**
  - Lower obesity rates could lengthen average lifespan, prompting more elderly care



1. Defined as BMI of 30 or higher.  
2. Excludes projected sales for diabetes treatment using these drugs.

Source: Centers for Disease Control and Prevention. "Adult Obesity Facts". Acc. 14 Apr. 2023; Agosto, Arelis. "Diabetes Management: Massive Addressable Market Spurs Innovative Solutions." Global X. 12 Apr. 2023; Pantalone, et al. "Prevalence and recognition of obesity and its associated comorbidities: cross-sectional analysis of electronic health record data from a large US integrated health system". BMJ Open. 16 Nov. 2017; McLeod Health. "Obesity and Knee Replacement". Acc. 6 Jun. 2023; Gist Healthcare analysis.