

New rules mean 3.6 million Americans could get Wegovy via Medicare, costing billions

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A budget-busting 3.6 million Medicare recipients could now be eligible for coverage of the weight-loss drug Wegovy, a new KFF analysis says.

That's because the U.S. Food and Drug Administration has approved the use of Wegovy (semaglutide) to reduce the risk of [heart attacks](#) and [stroke](#) in certain patients, the study says.

The FDA's ruling potentially allows Wegovy prescription coverage for more than a quarter of 13.7 million Medicare patients who've been diagnosed with obesity or excess weight, KFF says.

Those 3.6 million people—about 7% of all beneficiaries—have established [heart disease](#) as well as excess weight, and thus could be eligible for coverage of Wegovy.

However, KFF notes that among this group 1.9 million also have diabetes and therefore are already eligible for coverage of weight-loss drugs like [Wegovy](#) or Zepbound.

"Although Wegovy already had FDA approval as an anti-obesity medication, Medicare is prohibited by law from covering drugs when prescribed for obesity," KFF said in a news release.

How the FDA's change affects Medicare spending will depend in part on how many Part D plans add coverage for Wegovy, and the extent to which plans will restrict coverage, researchers said.

Assuming just 10% of eligible Medicare patients use Wegovy in a given year, and assuming a 50% rebate on the list price, the program would still incur nearly \$3 billion in additional prescription spending each year for the one drug alone, researchers said.

Further, beneficiaries who take Wegovy could face monthly [out-of-pocket costs](#) of \$325 to \$430 if they have to pay a percentage of the drug's \$1,300 list price for a month's supply.

New Part D caps on out-of-pocket spending would limit beneficiaries' costs to \$3,300 in 2024 and \$2,000 in 2025, but KFF noted those are significant bites for people living on modest fixed incomes.

It's possible Medicare could select semaglutide for drug price negotiation as early as 2025, given that the drug was first approved by the FDA in late 2017 for treatment of type 2 [diabetes](#), KFF says.

If that happens, a lower negotiated price could be available as early as 2027, helping to lower Medicare spending on the drug.

More information: UCLA has more on [semaglutide for weight loss](#).

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