

# Intelligence MEMOS



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To: Healthcare Observers

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Re: **OZEMPIC: ECONOMIC RIPPLE EFFECTS, EQUITY AND SIDE EFFECTS**

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The surge in demand for Ozempic (and other GLP-1 medications) has implications for healthcare's future, is creating opportunities for complementary products and services and disrupting other markets.

About [6 percent](#) of US adults currently use one of the drugs, according to surveys, and Canada has seen a five-fold increase in public drug plan claims and a 17-fold increase in public spending on Ozempic from 2019 to 2021. Though many public and private insurance plans restrict coverage, consumers can access it if they are willing to pay out-of-pocket – roughly \$1,500 a year – and can find a physician to prescribe it to them off-label.

Significant demand and restricted access create opportunities for online services offering prescriptions for GLP-1 medication. For example, [Felix](#) charges an initial program fee of \$99, \$40 per monthly checkup visit, and \$315-550 per month for medications. Those prices raise some equity concerns about access. While virtual care and prescribing improve access and are convenient for patients, they also increase the potential for shortages, although manufacturers are racing to increase supply. Costs and shortages can also disrupt patient medication use. A [US study found](#) that 30 percent of patients stopped GLP-1 treatment within four weeks before reaching the target dose, and less than half stayed on the medications for 12 weeks of continuous treatment (the threshold for achieving clinically meaningful weight loss).

While many online services provide legitimate medical care and standard prescriptions that can be filled at any pharmacy, others mail directly to patients. It can be difficult to verify the authenticity of mail-order pharmaceuticals, and the shortages from regulated channels create opportunities for fraudulent products. Recently, the WHO [warned](#) that falsified batches of semaglutide have been detected in Brazil, the UK and the US. Both Eli Lilly (Mounjaro, tirzepatide) and Novo Nordisk (Ozempic and Wegovy, semaglutide) sued several entities selling products claiming to contain the active ingredients in their respective medications. Increasing demand also creates economic opportunity. However, when combined with supply shortages, there is space for counterfeit products and a grey/black market to flourish (creating legitimate opportunities for lawyers).

The proliferation of medicines for diabetes and obesity management also has potential implications for other conditions. They have been associated with [improved fertility](#) with a number of possible explanations: Tirzepatide affects the absorption of oral contraceptives, reducing concentration in blood by up to 66 percent after a single dose, GLP-1 stimulates hormone production associated with ovulation in rodent studies, and being obese or overweight is linked to lower fertility.

There are also side effects. Health Canada, the European Medicines Agency and the UK's Medicines and Healthcare products regulatory agency [independently reviewed](#) GLP-1s after reports of increased suicide risk and (the EMA concluded current evidence does not support a causal association, and the FDA cleared them in preliminary report). More recently, another [study](#) showed a higher likelihood of an eye problem that can cause blindness in diabetic or obese patients taking GLP-1 medication, although the study had [limitations](#). More clinical research is needed.

On a more positive note, semaglutide has been [clinically validated](#) as improving cardiovascular outcomes in patients with diabetes. The proliferation and ubiquity of GLP-1 use is affecting how diabetes, obesity, and related conditions are being treated. As the associations with other conditions are clinically investigated, the broader implications for the health sector will become clearer.

GLP-1s are also making waves outside the sector. J.P. Morgan Research estimates that GLP-1 users bought about 8 percent less [food](#) for home consumption over the last 12 months compared to the average consumer. The [packaged food subsector](#) and larger US food producers are underperforming the S&P 500 as a result. Food companies are responding to the changing consumer demands. GNC, a supplement company, is adding dedicated sections for people on GLP-1 medications. Meal kit companies and diet plans are also adapting to provide products and services to GLP-1 users. Nestle has [launched](#) a new high-protein line of frozen meals for GLP-1 users. Its new GLP-1 [website](#) has three expert [videos](#) about the drugs, nutrition and weight loss and a ["success stories"](#) page that gives instructions to become a "Nutrition Ambassador." Such direct-to-consumer advice "may at best be harmless and a waste of money," according to Dr. Jody Dushay, assistant professor at Harvard Medical School. While some physicians may advise patients to take probiotics or increase their protein intake in some circumstances, it isn't universally recommended.

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