

STAT

WEDNESDAY, OCTOBER 22, 2025

PHARMA

Companies tout a novel payment model for obesity drugs, other medications in drive to lower costs

The approach, which allows employers to subsidize costs outside insurance, draws skeptics too

By Elaine Chen

National Biotech Reporter

As pharma companies and President Trump tout initiatives to sell branded medications directly to cash-paying consumers, some entrepreneurs have seized on a potential business opportunity — pitching a new model for employers to help their workers pay for medications without using insurance.

Take the blockbuster obesity treatments Wegovy and Zepbound, for example. Many employers don't cover them, since they find them too expensive to add to their health plans. But now that the drug manufacturers Eli Lilly and Novo Nordisk have started selling the products directly to patients at about \$500 a month, employers are being incentivized by startups to subsidize part of the cash price for their workers.

Their pitch is this: Employers can pay less than they would if they covered the drugs through insurance and, with a subsidy, employees can get the treatments at a lower cost than if they paid the full cash price on their own.

One company, RxSaveCard, is charging employers a set fee to help them set up this model. CEO Chris Crawford said in an interview that the company has seen interest take off as more pharma companies launch direct-to-consumer sales and that hundreds of employers have either already signed up for RxSaveCard or will be adopting the model next year.

Another new company, Anadel, announced this week that it will launch a platform that will adopt a similar model for GLP-1 treatments and eventually for other branded drugs as well.

Last week, WeightWatchers also said it's also setting up a way for employers to subsidize GLP-1 cash prices.

The emergence of such models is an outgrowth of the momentum behind direct-to-consumer drug sales. Lilly and Novo, the early and dominant makers of obesity drugs, were the first to sell them at cash prices lower than the list prices. Now, under pressure from Trump to lower drug prices broadly, other pharma companies have started allowing cash-pay options for a number of primary care treatments. Early next year, the White House even plans to launch a website, TrumpRx.gov, that is expected to be a portal where consumers could see drug offerings and their cash-pay prices from a host of drugmakers.

Executives at the startups advancing new payment models said they can help address a critical gap in employer-sponsored health insurance when employers choose not to cover certain treatments. "We see this as a real evolution in the overall industry," said Jay Bregman, co-founder of Anadel.

But some insurance and health policy researchers are skeptical the model can work well and say that it could add even more complexity to drug payment systems. They also doubt this new model would improve access. If employers opt to subsidize the cash price of more drugs rather than cover them through insurance, workers would be on the hook for higher out-of-pocket costs. Such skepticism echoes the reservations some researchers have expressed about direct-to-consumer drug sales generally.

The model

RxSaveCard launched last year, initially focusing on helping employers pay less for generic drugs. The idea was employers would pay the company a fee to set up a system by which their workers could more easily pay for generics through outfits like Mark Cuban's Cost Plus

Drugs pharmacy, which often offers lower prices than the ones employers get through the pharmacy benefit managers they use. When workers go to the pharmacy to fill their prescriptions, they use a card from RxSaveCard that automatically applies the subsidy.

Now, the company is adding branded medications to its model. The cash prices being set by drugmakers on direct-to-consumer platforms are likely similar to the net prices that employers pay to include the treatments in their health plans. Theoretically, it would be cheaper for employers to subsidize part of the cash price than to pay the full net price.

Bregman, Andel's co-founder, said the firm is already in talks with pharma companies that aren't making GLP-1s.

Ultimately, the company's goal is to become what he calls the Spotify of the drug industry — a central platform that facilitates the sale of goods even if it's not making them itself.

Crawford, the CEO, said he's seeing "broad adoption" of this model across the industry of consultants who advise employers on their health benefits spending.

Andel, which plans to launch its platform next year, is starting with a similar model for GLP-1 drugs. But instead of charging employers, it will charge a few dollars a month to employees who use its platform. When employees pay the cash price for treatments, Andel estimates that employers will subsidize around \$50 to \$100 of the monthly price.

Andel also plans to buy the medications directly from drug manufacturers, with the hope that they may even be able to negotiate a lower cash price if they're buying in bulk. Employees will then go to Andel's platform, submit their prescription, pay the subsidized price, and get the medication delivered to their home.

Currently, many employers don't cover GLP-1s in their health plans, but "the brilliant part about them being able to partner with us is that they can then still say to their employee that they have a benefit," said Ritu Malhotra, a co-founder of Andel who previously worked on PBM innovation at CVS Caremark. "It's just, it's a little bit new and different than their existing benefit."

Malhotra sees this model working for many other types of medications, particularly as pharma companies launch more chronic drugs aimed at large populations.

One example, she noted, could be drugs for Alzheimer's prevention, if such treatments are ever brought to market. Biogen and Lilly are running trials to see if their Alzheimer's treatments, Leqembi and Kisunla, could be used to help prevent the onset of the disease. Malhotra anticipates employers would be reluctant to cover such medications through insurance, since a broad population of people would want to take them — thus making them expensive to cover — and the health benefits wouldn't be seen for years. But employers, in her view, may be more willing to offer some subsidies.

Bregman, Andel's co-founder, said the firm is already in talks with pharma companies that aren't making GLP-1s. Ultimately, the company's goal is to become what he calls the Spotify of the drug industry — a central platform that facilitates the sale of goods even if it's not making them itself.

The concerns

Proponents of direct-to-consumer drug sales say that they're lowering costs for patients in part by bypassing pharmacy benefit managers, entities that they blame for inflating costs.

But drug pricing experts said that the models proposed by RxSaveCard and Andel look very similar to the PBM model — negotiate drug prices with pharma companies and help employers decide how much cost they take on.

"This is what the PBMs do already," said Sean Sullivan, a professor at the University of Washington who researches health economics.

Employers could essentially replicate the model if, in their existing health plans, they pay less for drugs and shift more costs onto employees, he said. "It doesn't make sense to me. My brain is not seeing this as a solution."

Stacie Dusetzina, a health policy professor at Vanderbilt University Medical Center, said employees are better off if employers cover drugs through insurance rather than subsidize cash prices through the new models. With insurance, employees also have deductibles and out-of-pocket maximums that limit their costs over time.

Ultimately, however, some drugs like GLP-1s may just be too expensive for some employers to cover through insurance.

RxSaveCards and Andel say that given these coverage gaps exist, they're offering a way to help employers and employees reach a middle ground.

Sullivan said there may be a less complex solution — for pharma companies to offer employers lower prices. Employers would then be more willing to cover the drugs in their insurance plans. "To me, that's a much more seamless solution that takes advantage of the delivery system we already have, and it doesn't bring in this new entity," he said.