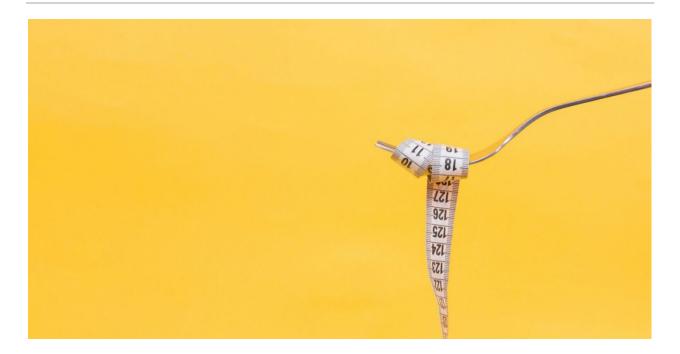
ISSUE BRIEF

The Weight Is Over: But Is It a Loss For Type 2 Diabetes Patients? March 2024



The "weight loss" drug Ozempic burst onto the scene in 2023 as a juggernaut winner for Danish drug maker Novo Nordisk. What began as a drug to treat Type 2 diabetes, however, soon proved efficacious to treat a much more widespread problem: obesity. That left Novo Nordisk in the driver's seat of a blockbuster "off-label" drug. The challenge for Novo is making sure patients with Type 2 diabetes aren't left on the side of the road.

The Origin Story

Type 2 diabetes (T2D) mellitus is a chronic metabolic condition characterized by the body's resistance to insulin, a hormone that regulates blood sugar levels. If left unmanaged, Diabetes can lead to various complications over time including heart disease, vision loss, and amputations. According to the American Diabetes Association, diabetes impacts over 30 million Americans and costs the U.S. healthcare system over \$300B a year to treat.¹

Traditionally, physicians employed a combination of strategies to manage patients with type 2 diabetes. Despite these efforts, outcomes have been inconsistent, often only temporarily slowing down disease progression. In recent times, a new class of medication known as Glucagon-like Peptides 1 (GLP-1) has emerged as a promising therapeutic option for treating type 2 diabetes.

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Ozempic

Although not the first GLP-1 medication approved for treating T2D, Ozempic quickly became synonymous with diabetes

management. Approved by the FDA in 2017, Ozempic is an injectable administered once weekly. Its rapid acceptance among physicians stems from its effectiveness in reducing blood glucose levels and fostering weight loss. Patient outcomes due to Ozempic have been remarkable; clinical studies demonstrated that Ozempic not only lowers A1cs and body weight but holds the potential to reverse the progression of T2D. However, the weight loss success stories associated with Ozempic sparked widespread interest, leading to its offlabel use among non-T2D patients and causing shortages for those reliant on the drug for managing their type 2 diabetes.

Supply Shortages

The emergence of weight loss reports associated with GLP-1 medications captured the imagination of a country struggling with obesity and body image. Over 40% of Americans are considered obese. This is four times the number of patients with T2D.^{2,3} Social media platforms played a pivotal role in disseminating successful weight loss anecdotes of individuals using Ozempic, resulting in a viral phenomenon surrounding the drug. This led to a serious scarcity of the drug as individuals without T2D sought to acquire Ozempic prescriptions from their healthcare providers and were willing to pay out-of-pocket if necessary.

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Improving Drug Access

Novo Nordisk has taken proactive measures to expand drug supply, ensuring eligible patients are getting prescriptions filled. They are working to increase production as well. Recently, Novo Nordisk received approval to treat patients with obesity, regardless of whether they have T2D under a new brand, Wegovy. Although named differently, Wegovy and Ozempic contain the same active compound (semaglutide). While this development may raise concerns among existing T2D Ozempic patients, the presence of two separate brands prevents the mixing of two distinct patient populations which ensures T2D patients maintain a higher level of access. Physicians and insurance companies now have clear guidelines for identifying and categorizing patients based on their specific indications. Novo Nordisk has prioritized the supply of Ozempic for T2D patients and insurance companies require prior authorizations before patients can receive Ozempic solely for weight loss alone.

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Outlook

Industry experts project GLP-1s therapeutics will become the most prescribed drugs globally by the end of the decade. The potential patient base on a global scale is in the hundreds of millions, yet currently only a small percentage are undergoing treatment. The applications of GLP-1s extend beyond T2D and obesity, with ongoing research exploring their effectiveness in treating additional conditions such as liver disease, sleep apnea, Alzheimer's Disease, and alcohol use disorder. In anticipation of the growing demand, Novo Nordisk is expanding its product lines and developing new oral formulations of Ozempic that can be produced at a significantly larger scale. Oral versions of GLP-1 medications offer improved manufacturing capabilities and yield compared to injectables, leading to enhanced supply and access for patients in the future.

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^{1 \$412.9} Billion in Health Care Dollars | ADA (diabetes.org)

² Diabetes Statistics - NIDDK (nih.gov)

³ Overweight & Obesity Statistics - NIDDK (nih.gov)