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GLP-1 Users Are Furious After Employers Drop Insurance Benefits

Nearly half of large US companies covered the popular drugs last year, but that number is beginning to fall as they grapple with the medications' high prices.



Jama McCloud, a registered nurse in Ohio who works for Cigna's Express Scripts pharmacy benefit manager. *Photographer: Amy Lynn Powell for Bloomberg Businessweek*

By [Taylor Nicole Rogers](#)
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- Cigna Group emailed its US employees to say its health plan would stop paying for GLP-1 medications for weight loss, prompting an outcry from employees.
- A growing number of employers are looking to limit coverage of GLP-1s to cut expenses, as employee health-benefit costs are expected to climb and prescription drugs are one of the main reasons.
- Some companies that continue to cover GLP-1s are creating friction within the company, as some workers who don't use them question whether the added cost will drive up premiums for everyone.



When [Cigna Group](#) emailed its more than 50,000 US employees in June to say its health plan would stop paying for GLP-1 medications for weight loss, the outcry was immediate. Jama McCloud, a registered nurse in Ohio who works for Cigna's Express Scripts pharmacy benefit manager, says the company's internal messaging platform quickly filled with notes from angry and hurt colleagues. "I cried with so many other employees," says McCloud, 52, who was taking a GLP-1 herself. She drafted a petition asking the company to reinstate coverage. Almost 600 of her colleagues signed it. "I fielded so many messages of absolute terror from other employees that I've never met," she says.



Despite the pressure, Cigna is staying the course. "We understand that this change is very personal for some employees, and we appreciated their willingness to share their stories with us directly. The decision to end coverage of GLP-1s for weight loss was made carefully, with research and input from leaders across the company, including clinical leaders," the company said in an email to *Bloomberg Businessweek*. It noted that it also offers health coaching and other resources to support weight management.

As companies operating in the US finalize their employee health plans before fall open enrollment, when workers can select and review changes to next year's coverage, a growing number of employers are looking to limit coverage of GLP-1s to cut expenses. This tension between the cost to provide weight-loss drugs and Americans' insatiable demand for them adds to already [worsening discontent](#) and sets up clashes between companies and their employees who've come to rely on the pricey but potential life-changing treatments.

[Almost half of large US employers](#) covered GLP-1 drugs for weight loss last year in their worker healthcare plans. But employee health-benefit costs are expected to climb 6.7% this year, to about \$18,500 per worker, the biggest increase in 15 years, according to benefits consulting firm Mercer, and prescription drugs are one of the main reasons. GLP-1s cost \$617 to \$766 for a 30-day supply, and including them in health plans can raise the monthly premiums on employer-sponsored plans [by as much as 14%](#), according to an analysis by the Employee Benefit Research Institute, a research nonprofit. Meanwhile, the share of Americans taking GLP-1s for weight loss has soared to 11%.

A Mercer survey of 604 US organizations and companies found that 6% of large employers — including Lowe's, PepsiCo, PwC, Starbucks and several state and local governments — dropped coverage for GLP-1s for weight loss in 2026. An additional 5% are planning to or considering doing so next year, the study found. Others are restricting access by requiring patients to enroll in diet and exercise programs either to qualify for the drugs or while using them. (Most companies still cover the drugs for diabetes, even if they've dropped them for chronic weight management.)

Read more: [US Health Spending to Top \\$6 Trillion in 2026 on the GLP-1 Wave](#)

The push to curb GLP-1 spending is also creating friction within companies that continue to cover them, as some workers who don't use them question whether the added cost will drive up premiums for everyone. "It's very easy for this narrative to become that costs are so high because of 'people like you,'" says [James Zervios](#), chief operating officer of the nonprofit Obesity Action Coalition, which advocates for people with obesity and receives some funding from drugmakers. The group is working with PepsiCo employees on a public pressure campaign to persuade the drinks and snacks giant to resume paying for employees' weight-loss medications.

Asked for comment, PepsiCo shared an excerpt of the email it had originally sent to workers explaining the change, in which it called the drugs "one of the fastest-growing costs" in the company's insurance plans. "Removing coverage for prescription weight loss

drugs enables us to maintain a healthcare program that is sustainable and affordable for all PepsiCo employees, while continuing to provide a comprehensive, high value benefits package,” the email read. (Lowe’s, PwC and Starbucks didn’t reply to requests for comment on their decision to drop GLP-1s for weight loss.)

In Newton, Massachusetts, the city told its employees in February that GLP-1 medications for weight loss wouldn’t be covered when their annual health plan renewed in July. The Newton Teachers Association, which represents the Boston suburb’s 2,000 educators and staff, immediately filed an unfair labor practice charge with state authorities, arguing that district and city officials broke the law by altering the health coverage without first bargaining with the union. Asked about the change, a spokesperson for the city called rising healthcare and prescription-drug costs “a significant challenge for municipalities and employers across Massachusetts and the country. The City of Newton is working to address employee concerns while also meeting its obligations to be a responsible steward of public resources.”



Zilles, president of the NTA. *Photographer: Cody O'Loughlin for Bloomberg Businessweek*

The union and city have met a handful of times to try to find a compromise, but they “haven’t made much progress,” says Michael Zilles, president of the NTA. The teachers’ health insurance

premiums rose 9% this year, and the city said that maintaining GLP-1 coverage would have required an additional 7.4% increase, Zilles says. Continuing their GLP-1 medications without insurance can cost as much as \$500 each month, NTA members say, and some say they're having to choose between filling their prescriptions and funding health plans for their children and spouses, a survey of its members found. "Where does this end?" Zilles asks, adding that his union will escalate the battle for their GLP-1s until the school district relents. "Are they going to start rationing cancer treatment?"

Proponents of the medications argue that they pay for themselves over time by reducing patients' likelihood of developing comorbidities of obesity such as diabetes, cardiovascular disease and sleep apnea, which themselves require pricey treatments. The National Bureau of Economic Research, however, found that the costs of the follow-up appointments needed to monitor GLP-1 patients [eclipsed the savings](#) from their improved health.



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But that might tell only part of the story. Workers who can get the medications they need from their companies' insurance might be more loyal in the longer term, cutting down on costs for recruiting, replacement and training. Research from Stanford University suggests that workers are [less productive](#) when they spend more time dealing with administrative health insurance burdens, though they did not evaluate GLP-1 medications specifically.

Bank of America Corp. has said it's spending more than \$250 million annually on GLP-1s for its 150,000 US employees. "It's the right thing to do for our teammates," CEO Brian Moynihan [said on CNBC](#) in August, adding that he expects users to spend less on their healthcare over time. "It's a good investment." (A spokesperson for Bank of America declined to comment on the remarks.)



McCloud and almost 600 colleagues signed a petition asking Cigna to reinstate the benefits. *Photographer: Amy Lynn Powell for Bloomberg Businessweek*

Back at Cigna, McCloud went off her GLP-1 medication after her coverage ended, switching to a compounded version costing roughly \$300 each month. Her original medication was \$25 a month on her employer insurance. She's willing to pay out of pocket for now to avoid going back to her premedication days, when she was tormented by intrusive thoughts about food. "I'm just a different person than I was before," says McCloud, who'd previously tried to lose weight with Jenny Craig and Nutrisystem. "I got double knee replacements that I didn't qualify for before. I can keep up with my husband and sons. It's night and day for us."

When she collected comments from colleagues as part of her petition to the company, others shared similar stories. One worker even revealed she's considered ending her life because she can no longer afford the injections and is afraid her other health conditions will return without them. "Companies need to realize that there are people behind these decisions," McCloud says.

Read next: [Supercharged by Social Media, the GLP-1 Boom Is Warping Teen Psyches](#)

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