

BURDA ON HEALTHCARE

Fat Shaming Our Way to Lower Health Insurance Premiums

By David Burda
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I'm overweight. I have been for most of my life. I'm on five prescription medications. Four keep my heart healthy. One prevents chronic headaches caused by staring at my computer too long, like I'm doing now. Don't blame me for your high health insurance premiums next year. Blame all those obese people taking GLP-1 drugs to lose weight.

That is the consensus of the annual fall flurry of reports and surveys on employers' healthcare costs. All are projecting increases near 10%, and all are pointing the finger at fat people who want to be thin. As if we don't have enough problems.

Let me run down the spate of reports and surveys and show you what I mean.



NO SIGNS OF SLOWING DOWN

In July, PwC released its annual [health plan medical cost report](#). The PwC report is based on a survey of actuaries at 24 U.S. health plans that cover more than 125 million people enrolled in commercial health plans through their employer and 12 million people enrolled in commercial health plans purchased over an ACA state or federal health insurance exchange. The report defined medical cost as the per-member costs of medical services and prescription drugs.

The report projected an 8.5% increase in health plans' member medical costs in 2026. Forty-one percent of the actuaries cited GLP-1 drugs as one of the top two medical cost drivers for this year and next.

"The surge in interest and uptake of these therapies — particularly since 2023 — shows no signs of slowing," the PwC report said. "For the third consecutive year, a coupling of increased utilization and persistently high unit costs has positioned GLP-1s as a major medical cost inflator."



HIGH PRICE: A CHALLENGE

In August, the Business Group on Health (BGH) released the results of its annual [employer healthcare strategy survey](#). The BGH report is based on a survey of 121 employers with a total of 11.6 million covered lives. Cost is the cost to employers to provide health insurance to employees. The BGH report projected a 9% increase in employer healthcare costs next year.

Seventy-nine percent of the surveyed employers said they're currently experiencing an increase in the utilization of GLP-1 drugs to treat obesity with another 15% anticipating an increase next year.

"More employers say that increases in obesity treatments, e.g., GLP-1s, are driving health care costs," the BGH report said. "The high price of these popular medications continues to present a challenge."

COSTS MORE THAN OTHER TREATMENTS

In September, Mercer released the results of its annual national [survey of employer-sponsored health plans](#). The Mercer report is based on a survey of more than 1,700 employers. It defines cost as the total health benefit cost per employee. The Mercer report projects an average increase of 9% in 2026. Why? Rising prices for medical care coupled with rising utilization of

healthcare services, including GLP-1 drugs.

"Advances in diagnostics and therapeutics, such as cancer treatments and weightloss drugs, produce better outcomes. However, they typically cost more than the treatments they replace," the report said.

ACCELERATING UPTAKE IN USE

In September, Aon released the results of its annual [survey of employer healthcare costs](#). The report is based on data from more than 1,000 U.S. employers representing 7.7 million covered lives all in Aon's database. The report defines total health plan costs as the employer's and employee's combined annual premiums for medical and drug coverage, not including deductibles, copays or coinsurance.

The Aon report projected a 9.5% increase in employers' total health plan costs for 2026. Blame rising rates of chronic conditions, high-cost conditions like cancer and higher utilization. Oh, and GLP-1s.

"Prescription drug spending is also rising, driven by greater use of costly brand-name and specialty medications," Aon said. "Notably, demand for GLP-1 therapies has surged, as uptake accelerates for treatment of diabetes, obesity and other chronic conditions."



TRY LIFESTYLE MANAGEMENT INSTEAD

In September, WTW, formerly Watson Towers Willis, released the results of its annual best [practices in healthcare survey](#). The WTW report is based on a survey of 417 U.S. employers with a total of about five million employees. The WTW report projected a 9.1% increase in employer healthcare costs next year.

WTW didn't say what it included in "healthcare costs." But whatever it is, it includes the cost of GLP-1 drugs. The surveyed employers cited "pharmacy costs, primarily specialty pharmaceuticals and GLP-1 medications" as a top cost driver.

"While 57% of employers cover GLP-1s for weight loss, 15% of employers are either considering removing coverage or have already done so in the past year," the report said. "Key tactics being considered by employers to manage GLP-1s for obesity include required participation in a lifestyle management program, 30-day fill limit, step therapy, higher cost sharing and different coverage/BMI criteria than the PBM [pharmacy benefit manager] standard."

Further, "Notably, more than three-quarters (78%) of employers that do not currently cover GLP-1s would do so if costs were lower."



DRUGS JUSTIFY RATE INCREASES

Finally, and again in September, the Kaiser Family Foundation released the results of its analysis of [small business health insurance premiums](#). These are premiums that small businesses with 50 or fewer employees pay for group coverage to provide health benefits to their workers. The report is based on premium data from 318 health insurance carriers.

The report projects an 11% increase in small business health insurance premiums for next year.

Let's see if the report blames GLP-1s. It does!

"Consistent with premium changes in the [individual market](#), the increasing cost, prevalence, and utilization of GLP-1s and other specialty drugs are frequently mentioned by insurers in justifying proposed rate increases," the report said. "27 insurers of the 96 insurer filings reviewed in greater detail mentioned the impact of GLP-1s on premiums."

Further: "To mitigate their upward pressure on premiums, some insurers have decided to exclude coverage of GLP-1s for weight-loss purposes for 2026."

BOLD TALK

Employers and insurers are blaming overweight people who want to get thin by taking GLP-1 drugs for their rising healthcare costs. It's a new form of fat shaming. They're also playing the short game to make their quarterly earnings reports look better. They're ignoring the long game and all the savings that will come from eliminating and reducing the costs of obesity-related chronic diseases. Everyone's incentives are aligned:

lose weight, get healthy, less utilization, lower costs, smaller premium increases.

As Ned Pepper, played by Robert Duvall, told Rooster Cogburn, played by John Wayne, in True Grit, "[I call that bold talk for a one-eyed fat man.](#)" I don't wear an eye patch.

Thanks for reading.

AUTHOR



David Burda began covering healthcare in 1983 and hasn't stopped since. Dave writes this monthly column "Burda on Healthcare," contributes weekly blog posts, manages our weekly newsletter 4sight Friday, and hosts our weekly Roundup podcast. Dave believes that healthcare is a business like any other business, and customers — patients — are king. If you do what's right for patients, good business results will follow.

Dave's personal experiences with the healthcare system both as a patient and family caregiver have shaped his point of view. It's also been shaped by covering the industry for 40 years as a reporter and editor. He worked at Modern Healthcare for 25 years, the last 11 as editor.

Prior to Modern Healthcare, he did stints at the American Medical Record Association (now AHIMA) and the American Hospital Association. After Modern Healthcare, he wrote a monthly column for Twin Cities Business explaining healthcare trends to a business audience, and he developed and executed content marketing plans for leading healthcare corporations as the editorial director for healthcare strategies at MSP Communications.

When he's not reading and writing about healthcare, Dave spends his time riding the trails of DuPage County, IL, on his bike, tending his vegetable garden and daydreaming about being a lobster fisherman in Maine. He lives in Wheaton, IL, with his lovely wife of 40 years and his three children, none of whom want to be journalists or lobster fishermen.

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