

# CAPITOL STREET

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April 15, 2026

## GLP-1 Medicare Demo May Have Slow Start

BRIDGE Could Be Replacement For BALANCE In 2027 If 80% Threshold Is Not Met

Relevant Companies



### »» Our Take & Next Up

**Medicare GLP-1 coverage via BRIDGE starts July 1, while low plan participation may impact Part D coverage via BALANCE in 2027.** We note that BRIDGE coverage will start July 1 regardless of Medicare plan participation as CMS will manage prior auth and claims *outside* of the Part D benefit. However, for the Jan 1, 2027 start for BALANCE in Part D, CMS must meet the minimum plan participation threshold of 80% of all Medicare beneficiaries.

**Despite the flexibility and low obesity medicine price point offered via BALANCE, CMS may struggle to meet the threshold (by April 20, 2026) as plans have limited visibility into costs and other key details required for bid purposes.** Part D plans must submit a LOI to participate in BALANCE by April 20 and CMS is expected to notify plans of implementation by April 30. The administration is looking to fulfill their MFN promises to beneficiaries and may engage plans to pressure or entice them into the model. It is also possible that CMS could delay BALANCE to 2028 to sort out participation.

### »» Key Points

**BALANCE letter of intent (LOI) from Part D plans are due April 20.** Model details [here](#). The deadline for Part D plans to participate in the BALANCE model is April 20. Then CMS has ten days to potentially twist arms to get the pilot going as CMS must notify plans of implementation by **April 30**.

**Participation is a risk as Part D plans don't have a lot of data to work with as far as bid submission.** Despite the consistent, low price point and a narrower risk corridor, plans may not have enough info on utilization and potential costs to develop a bid that includes GLP-1 coverage for obesity. As a reminder, if health plans covering 80% of all Medicare beneficiaries don't opt in, the government won't move forward with BALANCE.

**If CMS delays BALANCE (to 2028 from 2027), we could see continuity of coverage of GLP-1 products for obesity via an extension of BRIDGE.** However, as this will be a significant cost to Medicare, we could see the agency further engage with plans to strong-arm or entice them into participating. The administration has leaned

into voluntary engagement with industries (e.g. voluntary MFN agreements) and we could see the same playbook with insurers.

**We note that direct to patient (DTP) is a profitable channel for GLP-1 manufacturers.** Both LLY and NVO have focused on expanding access for GLP-1 products since committing to reduced prices. GLP-1 products are now available on LillyDirect, NovoCare, Ro, Weight Watchers, Amazon, Hims, and TrumpRx, among others.

**Separately, lawmakers are also endorsing Americans' access to lower direct prices and attempting to increase that DTP access.** Rep. Greg Murphy (R-NC) yesterday introduced a bill that would require commercial insurers to apply prescription drug purchases from cash-pay platforms toward deductibles and out-of-pocket maximums.

**We could see BRIDGE be the GLP-1 access point in 2026 & 2027 if the 80% threshold is not reached.** We are likely to see GLP-1 coverage losses once BALANCE comes on line (worst case scenario, in 2028). While BRIDGE provides unfettered access to GLP-1 products for obesity, not every plan is expected to participate in BALANCE. Seniors, in particular in rural areas with limited plan options, may be unable to access a plan covering GLP-1s once BALANCE starts.

## BACKGROUND

**Who pays for BALANCE?** (Oliver Wyman here)

- **Seniors will pay a \$50 copay up to the maximum out-of-pocket (MOOP).** Manufacturers are providing savings on Mounjaro, but they also have a net new revenue stream from significantly more Wegovy and Zepbound fills. The uptake % on newly eligible weight loss fills will determine if the program is net increase or decrease to their revenue. Typically, when Part D plan liability goes up, the direct subsidy goes up, and the government pays.
- **However, due to the nuances of how BALANCE will be adjudicated, liability will be pushed away from basic liability (which the government subsidizes) and into supplemental (where the government does not subsidize).** This means the government could actually end up with less direct subsidy burden in 2027 due to BALANCE. The government will pay reinsurance, low-income cost-sharing (LICS), etc. on these drugs. To the extent that the net new fills on Wegovy and Zepbound overwhelm the savings on Mounjaro, and given that the direct subsidy won't fully subsidize plans, MAPD will have to buy down the additional supplemental liability created by BALANCE using Part C rebates.

**Per LLY and NVO MFN agreements, Medicare coverage sets GLP-1 prices at \$245 across indications and sets Medicare copay at \$50.** BALANCE is a result of the voluntary MFN agreements for NVO and LLY made on November 6 (our take here). The agreements include availability of insulin and GLP-1 products through TrumpRx, US domestic manufacturing commitments, and MFN pricing on new launches. FDA has now approved oral products, Foundayo (LLY) and Wegovy pill (NVO), and these will be priced at \$150 for consumers through TrumpRx.

**BRIDGE offers Medicare coverage for obesity products starting July 1, 2026 (ends Dec 2026).** See model details here. Part D sponsors do not have to opt into the Medicare GLP-1 Bridge for beneficiaries to access GLP-1s for obesity in July. Coverage will be implemented via a central processor managed by CMS. Providers are directed to submit GLP-1 prescriptions and prior authorization requests to the central processor. See our analysis of BRIDGE here.

**BALANCE is the voluntary model which provides Medicare and Medicaid coverage of obesity products.** See model details [here](#). CMS is waiving the ban on Medicare coverage of weight loss drugs via this voluntary CMMI model. Under BALANCE, Medicaid agencies and Part D sponsors will have access to CMS negotiated coverage and pricing terms for GLP-1 products. IRA Medicare negotiated GLP-1s (Wegovy, Ozempic, Rybelsus) will be exempt from maximum fair prices for plans participating in the model. See our analysis [here](#).

- BALANCE for State Medicaid agencies begins **May 1, 2026**.
- BALANCE for Part D plans is scheduled to start **January 1, 2027**.

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