GLP-1 HRA Broker Discussion Guide

What is a GLP-1 HRA?

A GLP-1 HRA is a separate, employer-funded account that reimburses employees for the cost of medically necessary GLP-1 medications used for weight loss. This lets an employer offer support for these drugs on their own terms, with a set dollar amount they control. It is funded entirely by the employer, and reimbursements are tax-free to the employee and tax-deductible for the employer as long as the medication is medically necessary.

How Does it Work?

The GLP-1 HRA is simple to set up and ongoing management is minimal. Here's how it looks for the employer and their employees:

- **The employer designs the benefit.**
  They decide which expenses are eligible, how the benefit is structured, and the maximum reimbursement amount. Employers determine the reimbursement method and schedule, and Flex reimburses employees from the employer's designated bank account with no pre-funding required.

- **Employees pay out of pocket and file a claim for reimbursement.**
  They submit a claim to Flex along with a letter of medical necessity from their provider, and Flex reimburses them up to the employer's maximum benefit amount.

How to Start the Conversation

Brokers are having two versions of the GLP-1 conversation with employers. In one, the medical plan already covers GLP-1s for weight loss and the client wants to control the cost. In the other, coverage for weight loss is not available on the health plan, and employees are pushing for access the employer cannot offer through the medical plan.

When the medical plan covers GLP-1s for weight loss

Goal: Control the cost

GLP-1 spend is driving pharmacy and renewal pressure. The employer wants to keep offering support without the open-ended cost.

Ask:

- How is GLP-1 or specialty pharmacy trend affecting your renewal?
- Would a predictable, budgeted contribution beat open-ended claims exposure?
- Do you want to keep supporting employees but cap the annual cost?

When the medical plan excludes GLP-1s for weight loss

Goal: Meet employee demand

Employees are asking for GLP-1 coverage the plan does not include. The employer wants to offer meaningful help to employees.

Ask:

- Are your employees asking for GLP-1 coverage for weight loss?
- Would you like to help with these costs without breaking the budget?
- Is supporting employee health and retention a priority this year?

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Helping Your Client Design the GLP-1 HRA

Designing the GLP-1 HRA is where your guidance matters most. Here are a few things to consider as you help them land on a benefit amount.

- **Start with the client's budget**
  Establish what the client is comfortable spending and work backward to a monthly or annual amount that fits within that budget while still providing meaningful support.

- **Don't let utilization concerns drive decision making.**
  The employer sets a fixed amount per eligible participant, so increased utilization does not increase the contribution amount. Even if drug prices rise, the employer's defined contribution stays the same.

- **Consider cash flow when designing the benefit.**
  A monthly cap spreads the cost evenly across the year. A lump-sum annual allowance gives employees more flexibility but can mean larger reimbursements early on, since nothing is pre-funded. Match the structure to how the client wants to manage cash.

Next Steps: Request a Proposal

To request a GLP-1 HRA proposal, reach out to your Flex Sales Consultant by email and include the details below. Please note that this is an **integrated HRA**, meaning that only employees enrolled in the medical plan(s) are eligible to participate.

Information to include in your request:

- Group legal name and address
- Effective date
- Total number of eligible employees
- Total number of employees enrolled in the medical plan(s)
- Estimated number of employees using GLP-1s for weight loss, if known
- Preferred quoting method (see below)

Quoting method options:

- **GLP-1 only census.**
  The employer sends Flex a census of only those employees known to be using a GLP-1 for weight loss and manages ongoing HRA eligibility at the employer level. Use this method when the employer knows which employees are using GLP-1s for weight loss.

- **All enrolled employees census.**
  The employer sends Flex a census of all employees enrolled in the medical plan(s). Use this method when the employer does not know which employees are using GLP-1s for weight loss.

Have a client in mind?

Your Flex Sales Consultant is here to talk through the specifics and help you shape the right approach.

888-345-7990, Option 4 | fpsales@flexiblebenefit.com

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