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Client Alert: The Next Era of GLP-1s: Three Market Shifts to Note

In 2026, the U.S. prescription drug market is predicted to exceed $1 trillion for the first time, and the growth of glucagon-like peptide-1 (GLP-1) drugs are one of the primary reasons. Driven by new regulatory changes and evolving health care policies, America's prescription drug market is entering a new era defined by three major shifts.

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GLP-1s in Pill Form

GLP-1 receptor agonists are a class of medications originally developed to treat type 2 diabetes. GLP-1s mimic a natural hormone that regulates blood sugar, slows digestion, and increases feelings of fullness, resulting in blood glucose control and weight loss.

While GLP-1s were historically available exclusively as injectables, the market is shifting to pill form for mass consumer production. Novo Nordisk's oral Wegovy pill was the first oral GLP-1 approved for weight loss and made available to the market in January 2026. Eli Lilly followed with its own oral weight-loss drug, Foundayo, which became available on the market on April 6, 2026. Other highly anticipated oral options will hit the market in the coming months.

The practical impact to consumers of daily pills versus injectables is the dramatic expansion of the GLP-1 treatment pool to include patients who were previously reluctant to use needles.

Unprecedented Medicare Coverage

Historically, U.S. insurance coverage for weight-loss drugs has been minimal and restrictive, eliminating a large portion of the U.S. consumer market.

Now, under a pricing agreement announced by the federal government, Medicare will begin covering weight-loss drugs for eligible beneficiaries on July 1, 2026. Utilizing a "most-favored-nation" pricing framework negotiated with Eli Lilly and Novo Nordisk, the monthly Medicare price for the most well-known GLPs (Ozempic, Wegovy, Mounjaro, and Zepbound) will be capped at $245 per month, and beneficiaries will

only have a $50 monthly copay.

Because more than 70 million people are covered by Medicare, the coverage of GLP-1s will result in a massive influx of people eligible to receive the medications covered by insurance.

The Crackdown on Compounding Pharmacies

In recent years, compounding pharmacies have been able to take advantage of the GLP-1 drug shortage to sell custom-compounded versions of semaglutide and tirzepatide, two types of GLP-1s. However, some state governments and the Federal Drug Administration (FDA) have changed course in the months following the shortage to direct compounding pharmacies to stop selling compounded semaglutide and tirzepatide. Compounded drugs are not FDA approved and do not undergo the FDA's review for safety, effectiveness, and quality. As a result, the FDA has expressed concerns with compounded GLP-1s and has received reports of adverse events related to compounded versions.

The FDA has also issued numerous warning letters to telehealth companies that have made false or misleading claims about compounded GLP-1 products in their advertisements, including claims suggesting their products are the same as FDA-approved GLP-1 drugs. The FDA will continue to enforce compounding restrictions and prevent cheaper compounded alternatives from reaching the market.

The impact for many consumers will be to their wallets, as costs for non-compounded, brand-name versions of the drugs are significantly more expensive than their compounded counterparts. However, this increase in oversight serves to protect consumers from experiencing potentially harmful side effects from quality and safety concerns with compounded GLP-1s.

If you have questions about GLP-1 enforcement or want to understand how the FDA and Ohio Board of Pharmacy actions will impact your business, please reach out to Daphne Kackloudis, Jordan Burdick, or Kate Crawford.

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