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GLP-1s – Cost or Benefit?

By now everyone has heard of GLP-1s, drugs like Ozempic⁺ and Wegovy⁺, that have been used to treat diabetes since 2005 but have more recently been used for weight loss as well. GLP-1 drugs address the underlying causes of obesity because those on GLP-1 drugs are less hungry due to hormonal changes that affect the center of the brain that makes you feel full, and the drugs cause you to eat less because the transit time through the stomach is longer. Surprisingly, these medications also reportedly may decrease compulsive behaviors, including drug, alcohol and tobacco use, and are also showing promise in slowing cognitive decline by protecting the brain.

A downside to use of these drugs is that they frequently cause gastrointestinal side effects because of delayed stomach emptying, which may make it hard for some people to stay on the drugs long term. Another downside is the high cost of the drugs. According to the IFEBP Benefits Magazine May/June 2024, the annual list price can be \$14,000 - \$17,000 per person (with rebates around \$10,000). Currently, lifetime costs are projected to be more than the projected health cost savings. But these drugs are still promising due to potential improved health outcomes for a growing list of conditions: diabetes; cardiovascular, kidney, and liver disease; addiction control; and brain health.

The costs need to be weighed against the benefits, especially when the side effects cause members to stop taking the drugs before reaping the full benefits. Current strategies for reducing plan costs include restricting coverage or shifting the costs to the members which could be counterproductive in the long run.

Please contact one of our consultants to discuss the potential cost/savings impact on your health plan of approving these GLP-1 drugs for conditions other than diabetes.



White Paper on Actuarial Funding

The Conference of Consulting Actuaries recently published the second edition of their white paper titled, "Actuarial Funding Policies and Practices for Public Pension Plans." Wendy Ludbrook, a Consulting Actuary at CavMac, was one of the Public Plans Community members who assisted in developing the white paper that provides guidance to actuaries, policymakers and other interested parties regarding model practices in advance funding and calculating the actuarially determined contributions. See our website for a copy of this very important paper.



New Software at CavMac

SLOPE is a financial projection ecosystem that will expand our impactful analysis, effortlessly manage risk, and take our actuarial modelling outputs to the next level.



PensionSoft offers innovative software that simplifies pension administration and will allow us to produce census data reconciliations, benefit calculations and member statements more efficiently.



But did you know?

1

Two CavMac Babies on The Same Day

October 3rd will surely be remembered at CavMac as two of our employees' welcomed babies on the same day. Congratulations to:

- Ryan Thompson (Isla Diane)
- Grant Siekman (Henry Douglas)

2

Wedding sandwiched between 2 hurricanes

Joanna Parys, an actuarial analyst at CavMac, planned her wedding to David Campbell over a year and a half ago. Little did she know that two hurricanes were planned to hit St. Petersburg, Florida right around the same time. Thankfully, Helene passed two days before the big day and the sun came out on September 28th for their nuptials. While Milton has displaced them for now from their home, the couple could not be happier. Congratulations!! CavMac is providing support to all those impacted by the hurricanes this year.

3

Look for CavMac at Upcoming Conferences

- Alisa Bennett, Aaron Chochon and Ryan Gundersen (NCPERS)
- Ed Koebel and Megan Skiles (P2F2)
- Wendy Ludbrook (CCA)
- Alisa Bennett (IFEBP – CAPPP)

Two Wonderful Careers!



CavMac is proud (and a little sad) to announce the upcoming retirements for Cathy Turcot and John Garrett. Both have had long and respected careers as actuaries in the public sector and long tenures here at CavMac. Congratulations!!

Originally from upstate New York, Cathy Turcot moved down to Atlanta and earned a bachelor's in mathematics from Oglethorpe University. There she met her husband Mark and began her career in 1980 working as an actuarial analyst at Buck Consultants in Atlanta, Georgia. In 2005, when CavMac was being formed, she was the first employee here and helped shape CavMac into what it is today. It is truly unbelievable that she has worked on pension plans such as Georgia ERS and TRS, Alabama RSA, and Kentucky Teachers for nearly her whole 44-year career. Cathy plans to stay in Georgia and Florida and enjoy her retirement at the beach, reading a book, and most of all spending time with her wonderful grandchildren and family.

John Garrett served our country as an attack helicopter pilot in the Army before realizing that he wanted to become an actuary. John settled in Atlanta after meeting his wife Mary and earned a master's in actuarial science from Georgia State University. He has worked for many of the leading actuarial firms in the country but found his true home with CavMac in 2009. John has been instrumental and a key player in the public sector and a well-respected speaker at national conferences. John plans to spend much more time on his golf game, traveling, and spending quality time with his wife and four kids.



CavMac Comedy

What do you call a consulting actuary who doesn't have an opinion? No one knows!!

Why is Ireland such an excellent investment? Because its capital is always Dublin!!