

# Why Your Future Employer Might Not Pay for Ozempic

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*Note: the original article is provided as a separate file (attached to the email or downloadable from the website).*

## 1. Reading Passage

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When PwC's US employees logged in to renew their annual benefits last month, many discovered that one item had quietly disappeared from the menu: coverage for weight-loss drugs. Starting in July, the Big Four accounting and consulting firm will no longer pay for GLP-1 medications — the class that includes Ozempic and Wegovy — unless an employee has been diagnosed with type 2 diabetes or another condition that meets established medical standards of care. For weight loss alone, employees are now on their own.

PwC is not the first major employer to make this move, and it almost certainly won't be the last. The company joins a growing list of US firms scaling back access to GLP-1s as their bills for the drugs balloon. In a statement, PwC framed the decision as a response to 'broader industry trends' and the need to manage 'rapidly rising costs' while keeping its overall benefits package 'sustainable over time.'

The numbers behind that decision are striking. A 2024 survey by the Peterson Center on Healthcare and the research group KFF found that 43 percent of large US employers covered GLP-1s for weight loss — up from just 28 percent the year before. But that same survey reported a problem the actuaries hadn't prepared for: many companies said employee usage was 'higher than expected,' driving prescription drug costs sharply upward. Effectiveness, in other words, became a budget crisis. The drugs work; people want them; insurers can't keep up.

The GLP-1 market itself is unusually concentrated. Two pharmaceutical companies — the American firm Eli Lilly and the Danish firm Novo Nordisk — dominate sales, and weight-loss drugs are now the top-selling category in the entire pharmaceutical industry. Both companies have signed deals with President Donald Trump aimed at lowering US prices, but even at reduced prices the medications remain expensive enough to strain employer-sponsored health plans, which currently cover roughly half of all Americans.

For PwC employees, the change has felt personal rather than financial. Several spoke to the Financial Times anonymously, framing the cutback in moral terms. 'They basically want us to wait to become diabetic,' one said, arguing the policy effectively discriminates against workers whose weight problems are worsened by long hours of sedentary work. 'We work so hard and do such long hours sitting in front of a computer, it is not conducive to an active lifestyle,' the same employee added. 'I don't think the obesity diagnosis is being treated respectfully.' Another called the decision 'greedy,' saying GLP-1 coverage had been one reason they recently joined the firm — and that they now felt 'stupid for signing with them.'

The broader question PwC's decision raises is one US healthcare has been dodging for years. When a medication is highly effective and in enormous demand but also costs roughly \$1,000 a month per patient, who pays? Employers say they cannot indefinitely shoulder costs that blow past every projection. Employees argue that effectiveness is exactly the reason coverage should expand, not shrink. Pharmaceutical companies sit in the middle, charging what the market will bear. With more blockbuster treatments on the horizon — for Alzheimer's, for genetic conditions, for further uses of GLP-1s themselves — the PwC episode looks less like an isolated cost-cutting story and more like a

preview. The boundary between what insurance treats as 'medically necessary' and what it dismisses as 'lifestyle' is about to become one of the most consequential lines in American economic life.

## 2. Explanation

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*A miracle drug that helps millions lose weight is colliding with a brutal corporate reality: somebody has to pay for it, and employers are increasingly saying 'not us.'*

### What's Going On?

PwC, one of the world's 'Big Four' accounting firms, just told its US employees that starting in July it will stop covering GLP-1 weight-loss drugs like Ozempic and Wegovy through its health insurance – unless the employee has type 2 diabetes. Workers found out when they went to renew their annual benefits, and many are furious.

PwC isn't alone. A 2024 survey by the Peterson Center on Healthcare and KFF found that 43% of large US employers cover GLP-1s for weight loss (up from 28% the year before), but many are now reporting that usage – and costs – blew past their projections. PwC framed the change as necessary to keep coverage 'sustainable over time.'

### How To Think About It

This is a classic insurance-economics problem: a product so popular and so effective that it breaks the math of who pays for it.

- Think of an all-you-can-eat buffet that priced its meals assuming most customers would eat one plate. Then a new, irresistible dish appears, everyone takes three plates, and the restaurant either raises prices or pulls the dish.
- Or think of a streaming service: when only a few people binge-watched, flat pricing worked. When everyone started streaming 4K constantly, companies introduced password crackdowns and tiered plans. PwC is doing the corporate-benefits version of a password crackdown.

### Key Things To Know

- GLP-1 drugs (Ozempic, Wegovy, Mounjaro, Zepbound) can cost roughly \$1,000+ per month per patient in the US, and they're the top-selling category in pharma.
- Two companies dominate the market: Eli Lilly (US) and Novo Nordisk (Denmark). Both signed deals with President Trump to lower US prices, but the drugs remain expensive for insurers.
- PwC will still cover GLP-1s for diabetes – an FDA-approved use – just not for weight loss alone. One employee called this 'discrimination,' saying it forces people to 'wait to become diabetic.'
- Employer-sponsored insurance covers roughly half of all Americans, so when big firms cut a benefit, it ripples through the healthcare market.
- What people miss: even when a drug works brilliantly, insurance economics depend on predicting how many people will use it. GLP-1s shocked actuaries because demand was vastly higher than modeled.

### Why It Matters

When you start your first salaried job, the health-insurance package will quietly shape decisions you don't yet think about – what doctors you see, what medications you can afford, even whether you stay

at a job you'd otherwise leave. The PwC story is a preview: as new blockbuster treatments arrive (gene therapies, Alzheimer's drugs, more GLP-1 indications), employers will keep redrawing the line between 'medically necessary' and 'lifestyle.' That line determines what your benefits actually cover.

### **The Bigger Picture**

GLP-1s may end up being the first drug class to force a real reckoning with America's employer-based healthcare system. If 30-40% of adults qualify as obese and an effective treatment exists, but no one can agree on who pays, expect bigger fights ahead: government negotiation, insurance mandates, or a shift toward direct-to-consumer pricing. Watch whether other Big Four firms — Deloitte, EY, KPMG — follow PwC. In corporate benefits, once one prestige employer cuts something, the rest often quietly follow within a year.

### 3. Key Terms Glossary

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#### **GLP-1**

A class of drugs (glucagon-like peptide-1 receptor agonists) originally developed for type 2 diabetes that also produce dramatic weight loss by regulating appetite and blood sugar. Brand names include Ozempic, Wegovy, Mounjaro, and Zepbound.

#### **Big Four**

The four largest global accounting and consulting firms — PwC, Deloitte, EY, and KPMG — which audit most major public companies and employ hundreds of thousands of people each.

#### **Pharmacy coverage**

The portion of a health insurance plan that pays for prescription drugs, usually with the patient covering a co-pay and the insurer covering the rest.

#### **Type 2 diabetes**

A chronic condition in which the body doesn't use insulin properly, leading to high blood sugar. It's one of the FDA-approved uses for GLP-1 drugs and is considered medically necessary to treat.

#### **Standards of care**

Medical guidelines that define what treatment is considered appropriate for a given diagnosis. Insurers use them to decide what they will and won't cover.

#### **Eli Lilly and Novo Nordisk**

The two pharmaceutical giants that dominate the GLP-1 market. Lilly is American (maker of Mounjaro/Zepbound); Novo Nordisk is Danish (maker of Ozempic/Wegovy).

#### **KFF (formerly Kaiser Family Foundation)**

A non-profit organization that researches US healthcare policy and is widely cited for surveys on insurance coverage and costs.

#### **Actuarial projection**

An insurance company's mathematical estimate of how many people will use a benefit and how much it will cost. When projections badly underestimate reality, insurers lose money or cut coverage.

## 4. Reading Comprehension Quiz

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Circle the best answer for each question.

**Q1.** The passage primarily argues that:

- A) GLP-1 drugs are unsafe for patients without diabetes and should be restricted.
- B) PwC's decision reflects a broader struggle by employers to absorb the costs of effective but expensive new medications.
- C) American employees deserve unlimited access to any medication a doctor prescribes for them.
- D) The pharmaceutical industry has successfully lowered drug prices through deals with the Trump administration.

**Q2.** According to the passage, PwC will continue to cover GLP-1 medications when:

- A) Employees pay a higher monthly insurance premium to access them.
- B) The drugs are prescribed for conditions like type 2 diabetes that meet established medical standards.
- C) Employees can document that workplace stress contributed to their weight gain.
- D) The federal government formally classifies obesity as a workplace illness.

**Q3.** Based on the passage, why are employers increasingly limiting GLP-1 coverage?

- A) The drugs have proven less effective than originally hoped.
- B) Doctors have stopped recommending them for weight management.
- C) Usage rates and prescription costs exceeded what employers had projected.
- D) Federal regulators have warned companies against covering them.

**Q4.** As used in the passage, the word 'sustainable' most nearly means:

- A) environmentally responsible
- B) financially maintainable over time
- C) ethically defensible to employees
- D) medically appropriate for patients

**Q5.** As used in the passage, the word 'curbs' most nearly means:

- A) edges of streets or sidewalks
- B) complete bans
- C) restrictions or limitations
- D) financial penalties

**Q6.** Which statement about employer-provided GLP-1 coverage can most reasonably be inferred?

- A) Coverage of GLP-1s expanded rapidly between 2024 and 2025 before some employers began pulling back.
- B) Most large employers never offered GLP-1 coverage in the first place.
- C) Employees with diabetes are the main reason GLP-1 costs have risen.
- D) Federal law requires all health insurance plans to cover weight-loss drugs.

**Q7.** The passage suggests that affected PwC employees view the new policy primarily as:

- A)** a reasonable cost-control measure given industry pressures
- B)** an unfair penalty against people whose health problems are worsened by demanding work
- C)** a temporary setback that will likely be reversed within a year
- D)** an issue mainly affecting senior partners rather than junior staff

**Q8.** The author's tone when reporting employee reactions is best described as:

- A)** openly sympathetic and editorializing in their favor
- B)** dismissive of employee concerns as overblown
- C)** neutrally presenting their quoted complaints without taking sides
- D)** mocking the employees' choice of language

**Q9.** Which of the following can most reasonably be inferred about the GLP-1 drug market?

- A)** It is highly competitive, with dozens of manufacturers driving prices down.
- B)** It is concentrated in a small number of companies, which limits price competition.
- C)** It is shrinking as employers withdraw coverage and demand falls.
- D)** It is now primarily controlled by generic drug manufacturers.

**Q10.** Which choice provides the BEST evidence for the answer to the previous question?

- A)** 'PwC has told US staff it will no longer cover the cost of weight-loss drugs...'
- B)** 'Weight-loss drugs are the top-selling medicines in the pharmaceutical industry and are dominated by Eli Lilly and Novo Nordisk.'
- C)** '43 per cent of large employers cover the drugs for weight loss, up from 28 per cent in 2024...'
- D)** 'They basically want us to wait to become diabetic, one employee told the FT.'

**My Score:** \_\_\_\_\_ / 10

## 5. Answer Key with Explanations

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**Q1.** The passage primarily argues that:

**Answer: B**

The passage frames PwC as 'the latest big employer to struggle with soaring bills' and notes a wider trend of employers cutting GLP-1 coverage as costs rise. Choice C is a TRAP C – a reasonable real-world opinion the passage never makes. SAT Tip: When asked for the central idea, look for the claim the author keeps returning to across multiple paragraphs, not a single quote that catches your eye.

**Q2.** According to the passage, PwC will continue to cover GLP-1 medications when:

**Answer: B**

The passage states PwC will cover GLP-1s 'when prescribed for conditions aligned with established standards of care, such as type 2 diabetes.' Choice C is TRAP B – it borrows the passage's language about long hours and lifestyle but invents a coverage rule that doesn't exist. SAT Tip: For 'according to the passage' questions, find the exact sentence that supports your answer before choosing – don't rely on memory.

**Q3.** Based on the passage, why are employers increasingly limiting GLP-1 coverage?

**Answer: C**

The KFF survey cited in the passage notes 'many employers reported that use was higher than expected and covering them significantly increased prescription drug cost.' Choice A is TRAP A – opposite direction; the drugs are popular precisely because they work. SAT Tip: When a question asks 'why,' scan for cause-and-effect language ('because,' 'reported that,' 'reflects') rather than picking the most dramatic-sounding option.

**Q4.** As used in the passage, the word 'sustainable' most nearly means:

**Answer: B**

PwC uses 'sustainable' in the context of managing 'rapidly rising costs' – the meaning is about keeping the benefits program affordable long-term, not about the environment. Choice A is TRAP B – it's the most common everyday meaning of 'sustainable,' which is exactly the trap. SAT Tip: On vocab-in-context, the common dictionary meaning is almost never the right answer – substitute each option into the sentence and see which one preserves the author's actual point.

**Q5.** As used in the passage, the word 'curbs' most nearly means:

**Answer: C**

The passage describes 'businesses with curbs on access to the expensive medicines' – meaning limits on access, not full bans (since 43% of employers still cover them in some form). Choice B is TRAP A – same general direction but wrong intensity. SAT Tip: Watch for distractors that are 'too strong' – SAT loves the trap of an option that means the right thing but at the wrong magnitude.

**Q6.** Which statement about employer-provided GLP-1 coverage can most reasonably be inferred?

**Answer: A**

The passage notes coverage rose from 28% to 43% of large employers in one year, then describes PwC and others now imposing limits – a pattern of rapid expansion followed by retrenchment. Choice C is TRAP B – it borrows the words 'diabetes' and 'cost' from the passage but combines them in a way the text never supports. SAT Tip: Inferences must follow directly from passage facts. If you have to add an outside assumption to make the option work, it's wrong.

**Q7.** The passage suggests that affected PwC employees view the new policy primarily as:

**Answer: B**

Quoted employees describe the policy as 'discrimination,' call it 'greedy,' and note long sedentary work hours that can worsen weight problems. Choice A is TRAP A – it's PwC's framing, the opposite of how employees see it. SAT Tip: When a passage presents two perspectives, identify whose viewpoint each question is asking about – the company's PR statement and the employees' reactions are not interchangeable.

**Q8.** The author's tone when reporting employee reactions is best described as:

**Answer: C**

The author lets employees speak for themselves through direct quotes ('discrimination,' 'greedy,' 'stupid for signing with them') without inserting opinion or commentary. Choice A is TRAP C – readers may sympathize with the employees, but the author's prose stays journalistic. SAT Tip: To gauge tone, look at the author's own word choices, not the emotional content of quotes they include – reporters often quote angry sources in completely neutral prose.

**Q9.** Which of the following can most reasonably be inferred about the GLP-1 drug market?

**Answer: B**

The passage states the market 'is dominated by Eli Lilly and Novo Nordisk,' and notes that even after presidential price deals, the drugs 'remain expensive' – both signs of limited competition. Choice C is TRAP A – it gets the direction wrong; demand is rising, not falling. SAT Tip: Words like 'dominated' and 'top-selling' are signals about market structure – concentrated markets tend to have pricing power.

**Q10.** Which choice provides the BEST evidence for the answer to the previous question?

**Answer: B**

Option B directly names the two dominant companies, which is the textual basis for inferring market concentration. Choice C is TRAP B – it uses real numbers from the passage but those figures describe employer coverage, not market structure. SAT Tip: On evidence-pairing questions, the right evidence must support the EXACT claim in your previous answer – not just be related to the same general topic.