

Pharmacy Trends, Influencers and Strategies

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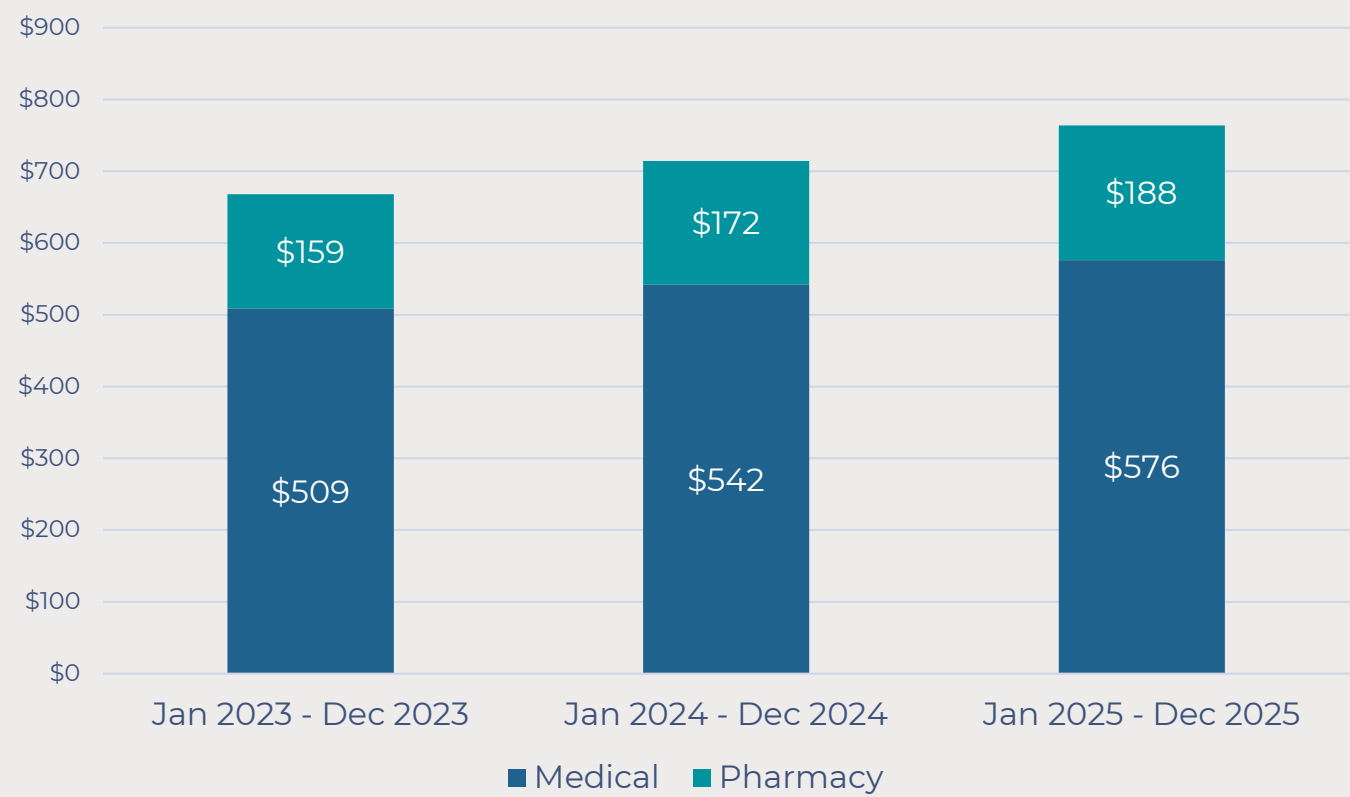
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Overall Spend

TOTAL COST PMPM YEAR OVER YEAR



2023 to 2025 trends

- Medical +13%
- Pharmacy +18%

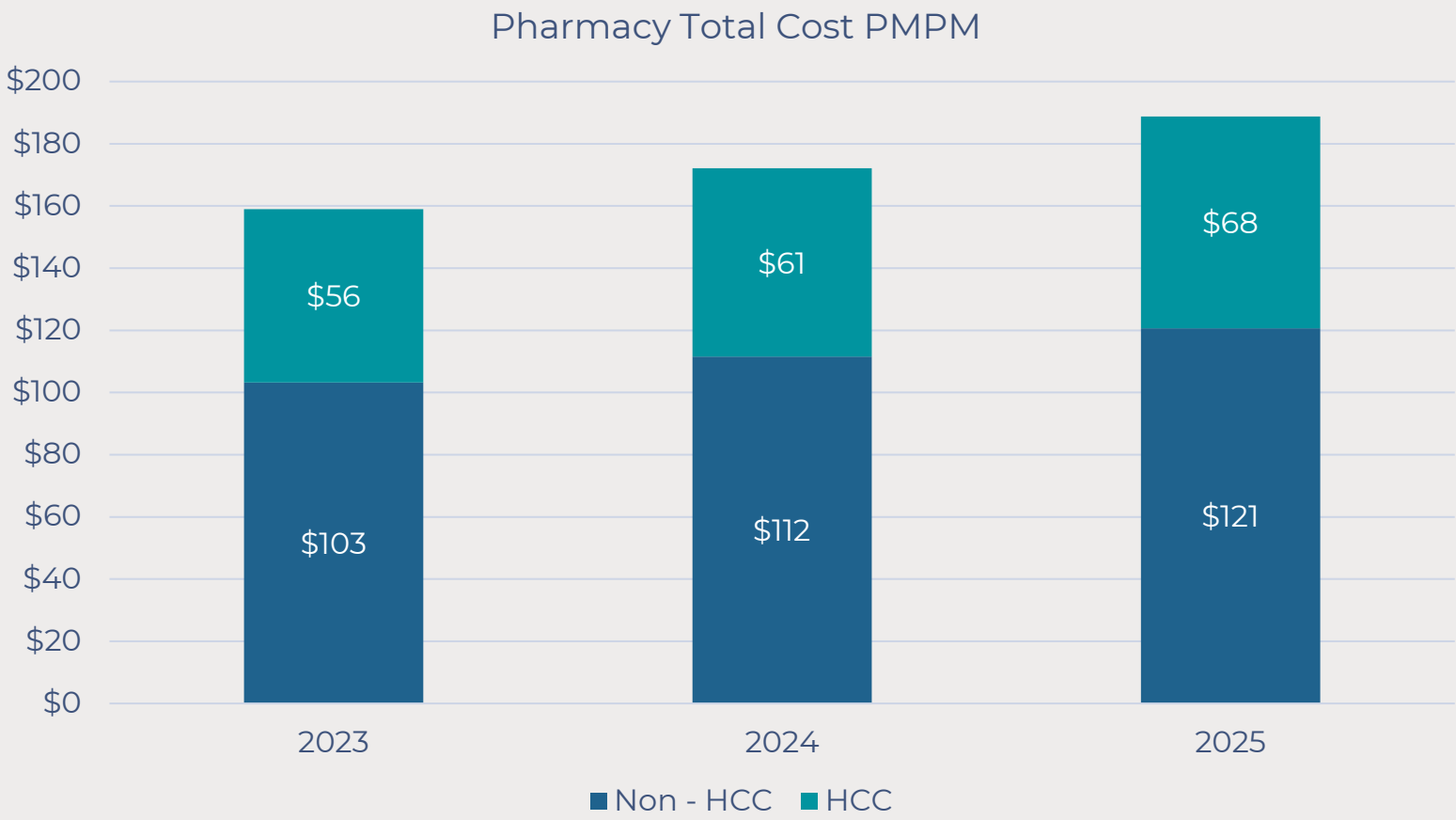
2024 to 2025 trends

- Medical +6%
- Pharmacy +9%

Agenda

- Impact of pharmacy spend on overall healthcare costs
- Trends by brand, generic, and specialty and key cost drivers
- Significant GLP-1 Trends
- PBM comparison
- Medical vs Pharmacy and the Challenge with Jcodes
- Pharmacy Landscape Outlook
- Effective Pharmacy Benefit Manager Oversight
- Long Term Considerations and Strategies

Pharmacy Detail



2023 to 2025 trends

- Non-HCC spend increased 17%
- HCC spend increased 21%

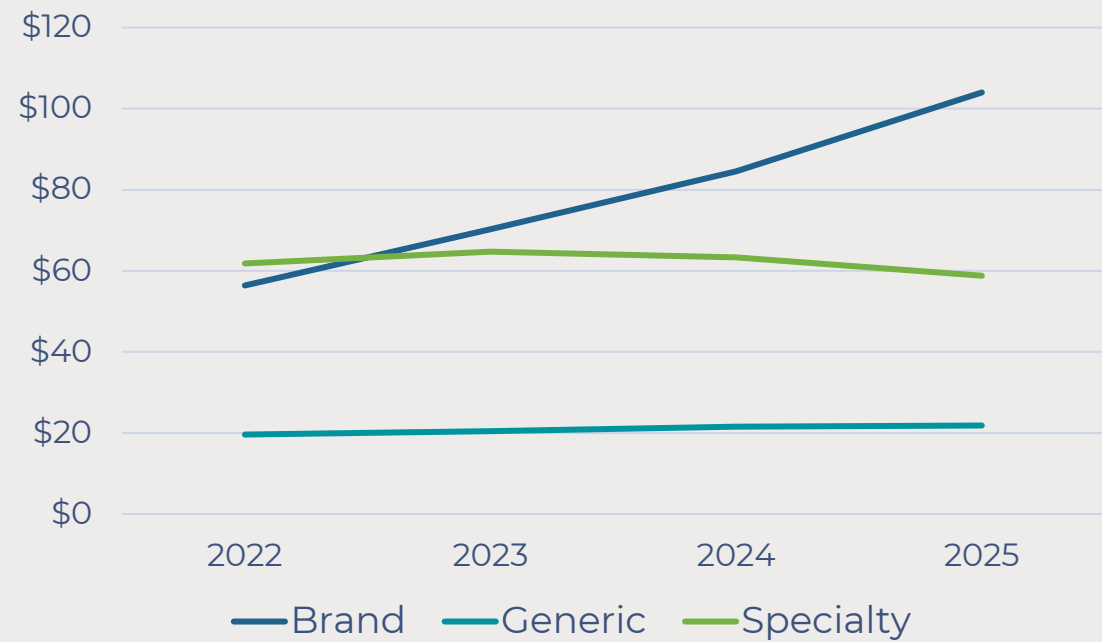
2024 to 2025 trends

- Non-HCC spend increased 8%
- HCC spend increased 11%

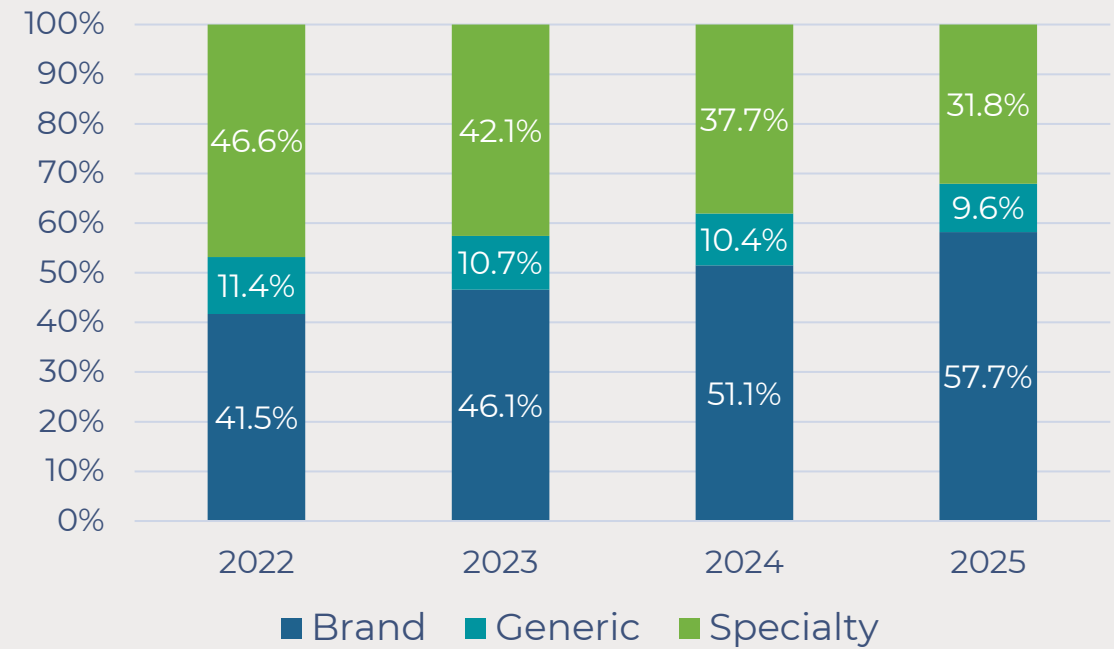
Drug Type



TOTAL COST PMPM BY DRUG TYPE

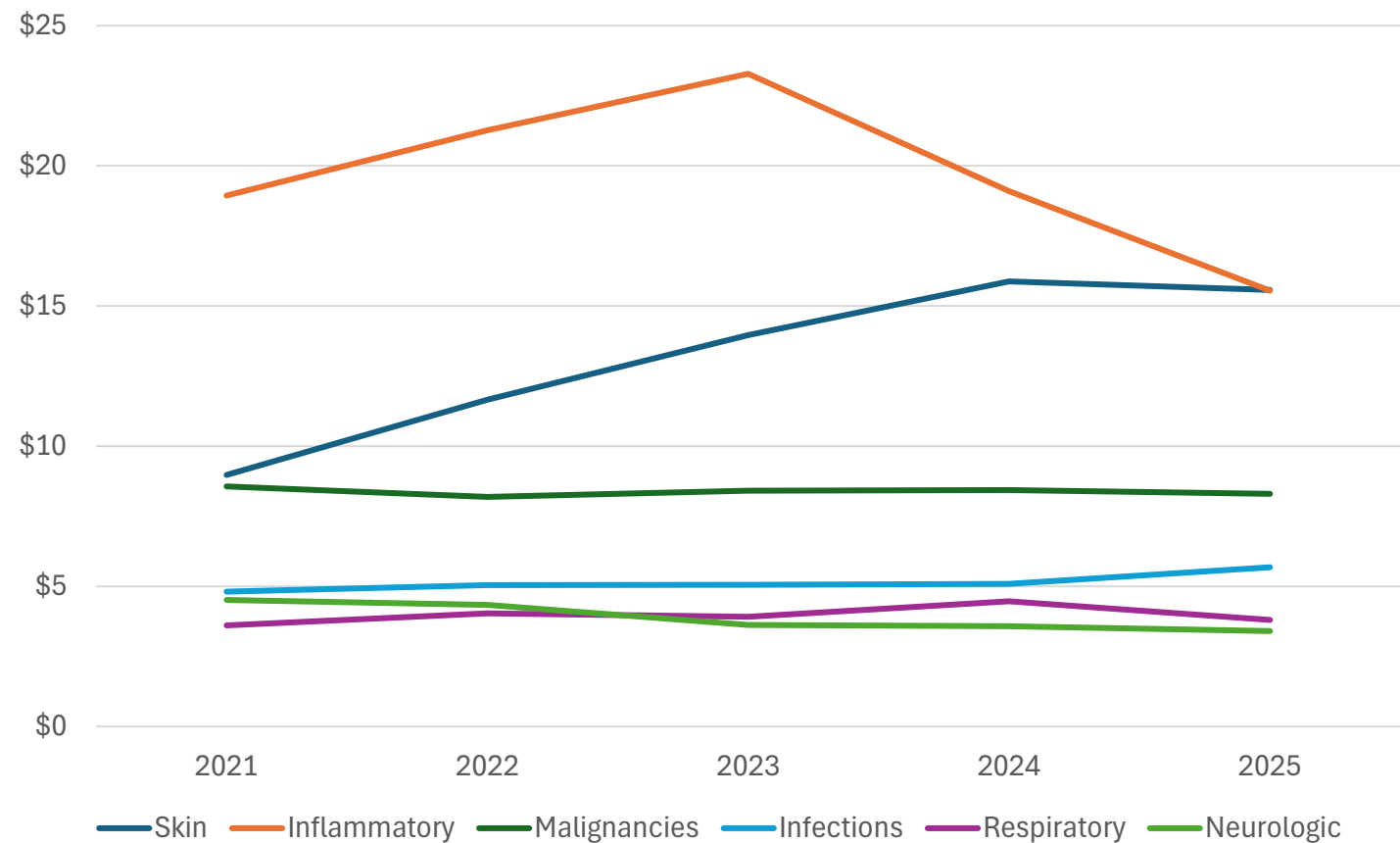


PERCENTAGE OF RX SPEND OVER TIME



Specialty Drug Categories

TOP 5 DRUG CATEGORIES BY TOTAL COST PMPM 2025 YEAR OVER YEAR



Drivers in Specialty Drug Categories

- Rheumatoid Arthritis and Other Inflammatory Conditions
- Oncology
- HIV
- Pulmonary
- Rare Diseases/Orphan Drugs

The Biosimilar Marketplace

U.S. biosimilar market landscape

As of February 1, 2026

Class	Supportive care			Oncology				Insulin			Ophthalmology	
Molecule	Filgrastim	Epoetin	Pegfilgrastim	Rituximab	Bevacizumab	Trastuzumab	Pertuzumab	Insulin Glargine	Insulin Lispro	Insulin Aspart	Ranibizumab	Aflibercept
Reference Products Manufacturer	NEUPOGEN Amgen	EPOGEN/ PROCRIT Amgen/J&J	NEULASTA Amgen	RITUXAN Genentech	AVASTIN Genentech	HERCEPTIN Genentech	PERJETA Genentech	LANTUS Sanofi	HUMALOG Lilly	NOVOLOG Nordisk	LUCENTIS Genentech	EYLEA Regeneron
Biosimilar Products Manufacturer Launch date or approval date	ZARXIO Sandoz Sep 2015	RETACRIT Pfizer-Vifor Nov 2018	FULPHILA Biocon Jul 2018	TRUXIMA Teva Nov 2019	MVASI Amgen Jul 2019	KANJINTI Amgen Jul 2019	POHERDY Organon Nov 2025	SEMGLEE Biocon Nov 2021		KIRSTY Biocon Jul 2025	BYOOVIZ Biogen Jul 2022	PAVBLU Amgen Oct 2024
	NIVESTYM Pfizer Oct 2018		UDENYCA Accord Jan 2019	RUXIENCE Pfizer Jan 2020	ZIRABEV Pfizer Jan 2020	OGIVRI Biocon Nov 2019		REZVOGLAR Eli Lilly Apr 2023		MERILOG Sanofi Oct 2025	CIMERLI Sandoz Oct 2022	YESAFILI Biocon May 2024
	RELEUKO Amneal Nov 2022		ZIEXTENZO Sandoz Nov 2019	RIABNI Amgen Jan 2021	ALYMSYS Amneal Oct 2022	TRAZIMERA Pfizer Feb 2020					NUFYMCO Zydus Dec 2025	OPUVIZ Harrow May 2024
	NYPOZI Cipla Oct 2025		NYVEPRIA Pfizer Dec 2020		VEGZELMA Celltrion Apr 2023	HERZUMA Teva March 2020						AHZANTIVE Valerum Jun 2024
	FILKRI Accord Jan 2026		STIMUFEND Fresenius Feb 2023		JOBEVNE Biocon Dec 2025	ONTRUZANT Organon Apr 2020						ENZEEVU Sandoz Aug 2024
			FYLNETRA Amneal May 2023		AVZIVI Sandoz Dec 2023	HERCESSI Accord Jan 2025						EYDENZELT Celltrion Oct 2025
			ARMLUPEG Valerum Nov 2025									
Follow-on biologics Manufacturer Launch date or approval date								BASAGLAR Eli Lilly Dec 2016	ADMELOG Sanofi Dec 2017			

▲ Unbranded version is also available

● Interchangeability approval by the FDA. For more details on interchangeability, please visit <https://www.fda.gov/media/151094/download>

Approved but yet to launch

Oncology Pipeline

Oncology					
Rituximab*	Bevacizumab	Trastuzumab	Pertuzumab	Nivolumab	Pembrolizumab
RITUXAN Genentech	AVASTIN Genentech	HERCEPTIN Genentech	PERJETA Genentech	OPDIVO BMS	KEYTRUDA Merck
DRL RI Dr. Reddy's CRL	HLX04 Henlius Pending	TX05 Tanvex CRL	EG1206A EirGenix Pending	ABP 206 Amgen Ph 3	GME751 Sandoz Ph 3
	FKB238 AstraZeneca Pending	Herwenda Sandoz CRL	TBD Biocon Ph 3	JPB898 Sandoz Ph 3	BAT3306 Bio-Thera Ph 3
	Aybintio Organon-Samsung Ph 3	HD201 Prestige Bio Ph 3	TX05 Tanvex CRL		SB27 Samsung Ph 3
	HD204 Prestige Ph 3				ABP 234 Amgen Ph 3
	TX16 Tanvex Ph 1				CT-P51 Celltrion Ph 3
					HLX-17 Henlius Ph 3
					MB12 Fresenius Ph 3

The Biosimilar Market Landscape

U.S. biosimilar market landscape

As of February 1, 2026

Class	Immunomodulators								Bone health		
Molecule	Infliximab	Etanercept	Adalimumab		Natalizumab	Tocilizumab	Ustekinumab	Eculizumab	Omalizumab	Denosumab	
Reference Products Manufacturer	REMICADE J&J	ENBREL Amgen	HUMIRA AbbVie		TYSABRI Biogen	ACTEMRA IV/SC Genentech	STELARA IV/SC J&J	SOLIRIS Alexion	XOLAIR Genentech	PROLIA Amgen	XGEVA Amgen
Biosimilar Products Manufacturer Launch date or approval date	INFLECTRA Pfizer Nov 2016	Ongoing litigation forecasted launch 2028/2029	AMJEVITA Amgen Jan 2023	YUSIMRY Methel Jul 2023	TYRUKO Sandoz Oct 2025	TYENNE Fresenius Apr 2024	WEZLANA Optum Jan 2025	BKEMV Amgen Apr 2025	OMLYCLO Celltrion Mar 2025	JUBBONTI Sandoz Jun 2025	WYOST Sandoz Jun 2025
RENFLEXIS Organon Jul 2018	▲ CYLTEZO BI Jul 2023		● HADLIMA Organon Jul 2023	TOFIDENCE Organon May 2024	● SELARSDI Teva Feb 2025	EPYSQLI Teva Apr 2025	CONEXXENCE Fresenius Jul 2025	STOBOCLO Celltrion Jul 2025	● OSENVILT Celltrion Jul 2025		
AVSOLA Amgen July 2020	▲ HULIO Biocon Jul 2023		▲ IDACIO Fresenius Jul 2023		● PYZCHIVA Sandoz Feb 2025	BILDYOS Organon Sep 2025		BOMYNTRA Fresenius Jul 2025			
NOT LAUNCHING IN U.S. IXIFI Pfizer Dec 2017	● ERELZI Sandoz Aug 2016		▲ HYRIMOZ Sandoz Jul 2023	● YUFLYMA Celltrion Jul 2023	AVTOZMA Celltrion Oct 2025	● YESINTEK Biocon Feb 2025		ENOBY Hikma Feb 2026	● XTRENBO Hikma Feb 2026		
	● ETICOVO Samsung Apr 2019	● ABRILADA Pfizer Oct 2023	● SIMLANDI Teva May 2024	● OTULFI Fresenius Mar 2025		OSVYRTI Accord Oct 2025		● XBRYK Samsung Feb 2025			
								● STEQEYMA Celltrion Mar 2025	● BOSAYA Biocon Sep 2025	● AUKELSO Biocon Sep 2025	
								● IMULDOSA Accord Jul 2025	● BONCRESA Amneal Dec 2025	● OZILTUS Amneal Dec 2025	
						● STARJEMZA Hikma Oct 2025					

▲ Unbranded version
is also available

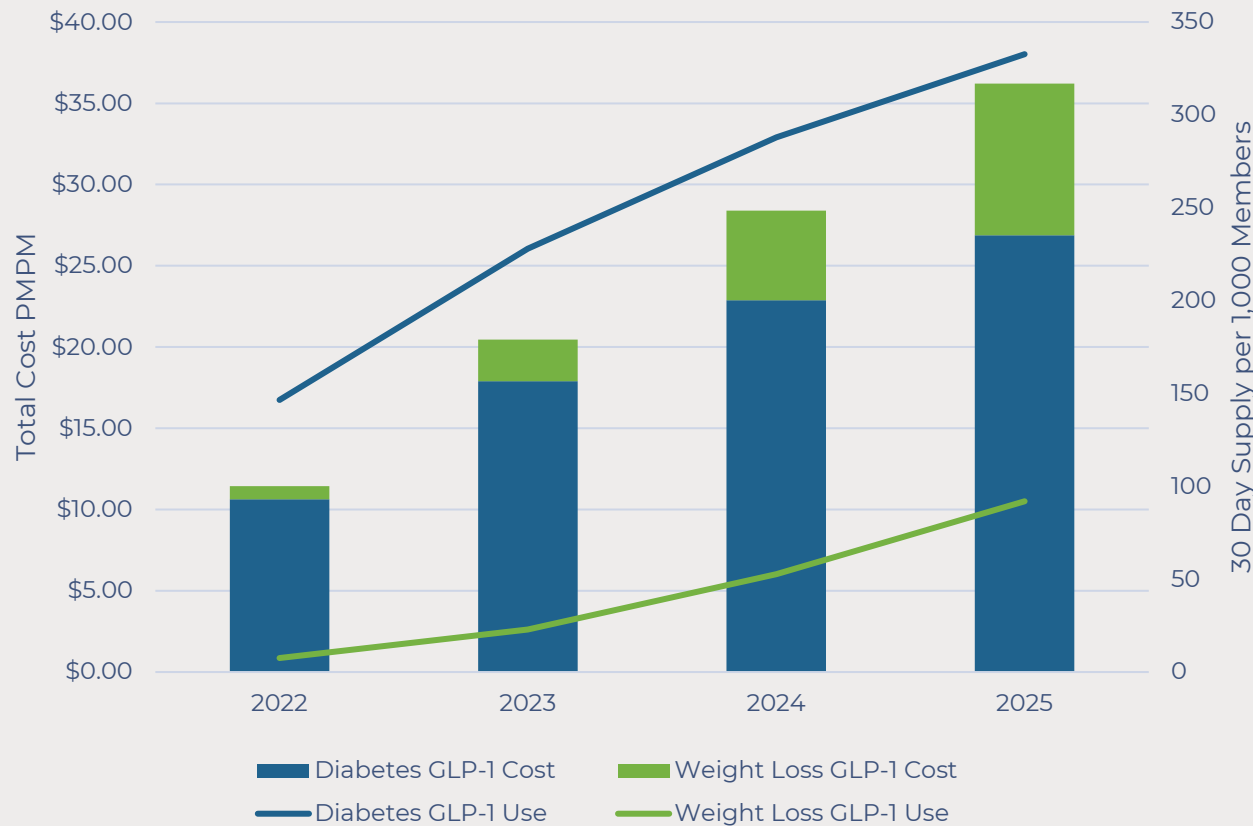
● Interchangeability
approval by the FDA.
For more details on
interchangeability, please
visit <https://www.fda.gov/media/151094/download>

Approved but
yet to launch

	Existing Biosimilars	Pipeline
Remicade	X	one
Enbrel	X	one
Actemra	X	one
Xolair	X	three
Humira	X	none
Stelara	X	none
Tysabri	X	none
Soliris	X	none
Cimzia		one
Cosentyx		two
Simponi		two
Enytvio		two
Orencia		one

GLP-1

GLP-1 USE TREND BY APPROVAL CATEGORY



- GLP-1 2025 usage
 - 20% of pharmacy spend (5% for weight loss)
 - 4% of members
 - 12% of high risk
 - 17% of very high risk

GLP-1 utilization continues to rise — PMPM spending nearly doubled each year since 2021.

Employer coverage trends:

- >50% cover GLP-1s for diabetes only
- 30%+ are evaluating coverage for obesity due to high costs
- 20%+ have implemented tighter prior authorization or higher BMI restrictions for coverage

GLP-1 Changes Are Coming in 2027!

HEALTH AND SCIENCE

Novo Nordisk to slash GLP-1 list prices by up to 50% in U.S. to cut costs for insured patients

PUBLISHED TUE, FEB 24 2026-8:54 AM EST | UPDATED TUE, FEB 24 2026-11:49 AM EST



Novo Nordisk and Eli Lilly shares both fall after Novo's price-cut plan for Ozempic and Wegovy

The Danish drugmaker plans to significantly lower the list price of three GLP-1 drugs

By [Steve Goldstein](#) (Follow) [Jaimy Lee](#) (Follow)

- A robust pipeline with new clinical pathways and expanded indications confirms the financial burdens will continue
- Flurry of third-party vendor solutions flooding the market leaving employers overwhelmed



FDA approves Lilly's Foundayo™ (orforglipron), the only GLP-1 pill for weight loss that can be taken any time of day without food or water restrictions

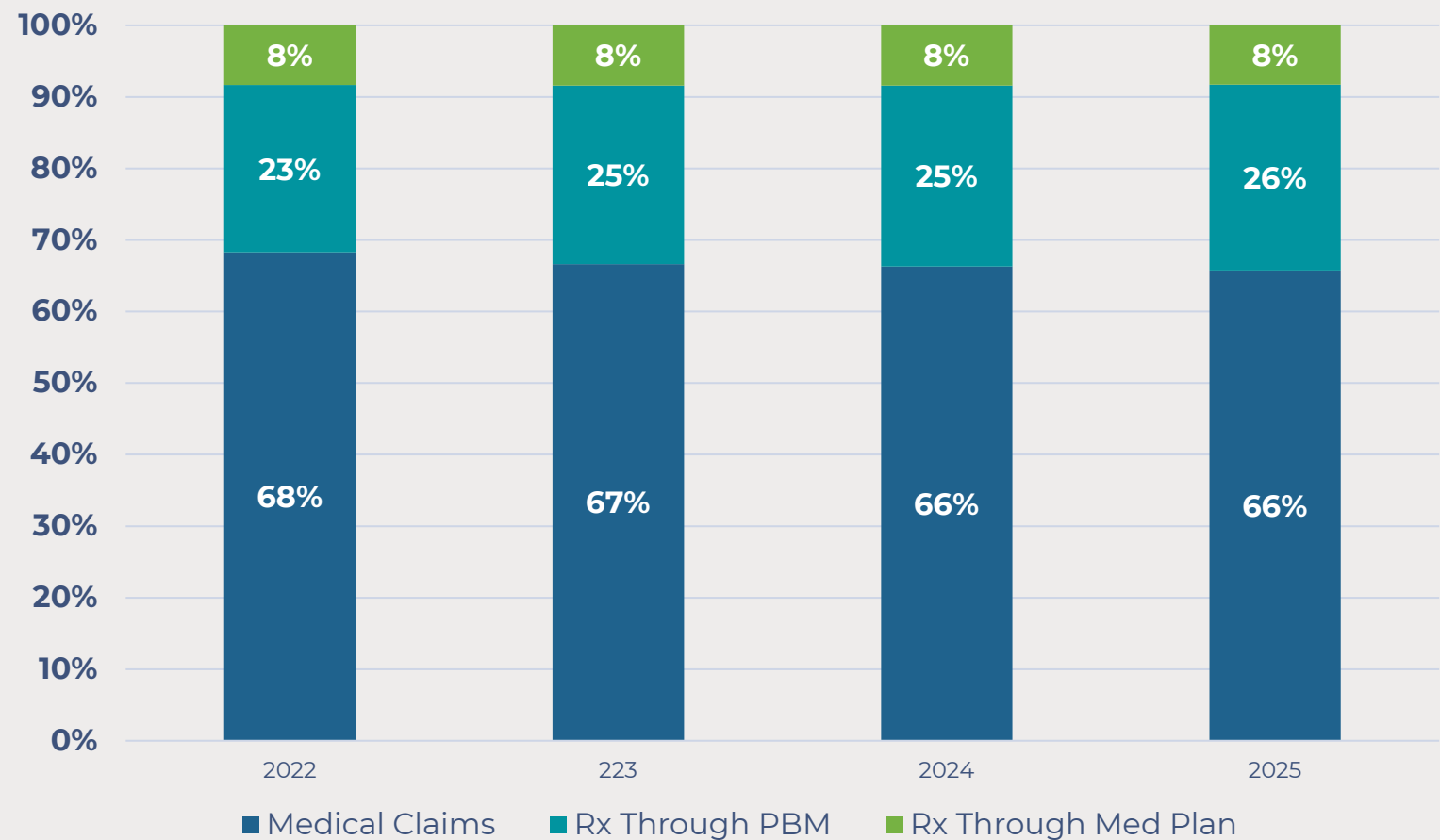
April 1, 2026

Ripple Effect:

- GLP-1 rebate values are estimated to be 40%-50% of list prices, propping up channel rebate guarantees
- Anticipated lower list prices in 2027 will result in lower rebate earnings
- Lower rebate earnings will force PBMs to apply rebate credits or guarantee adjustmer
- Alera Rx is continuing to assess associated impacts to rebate earnings



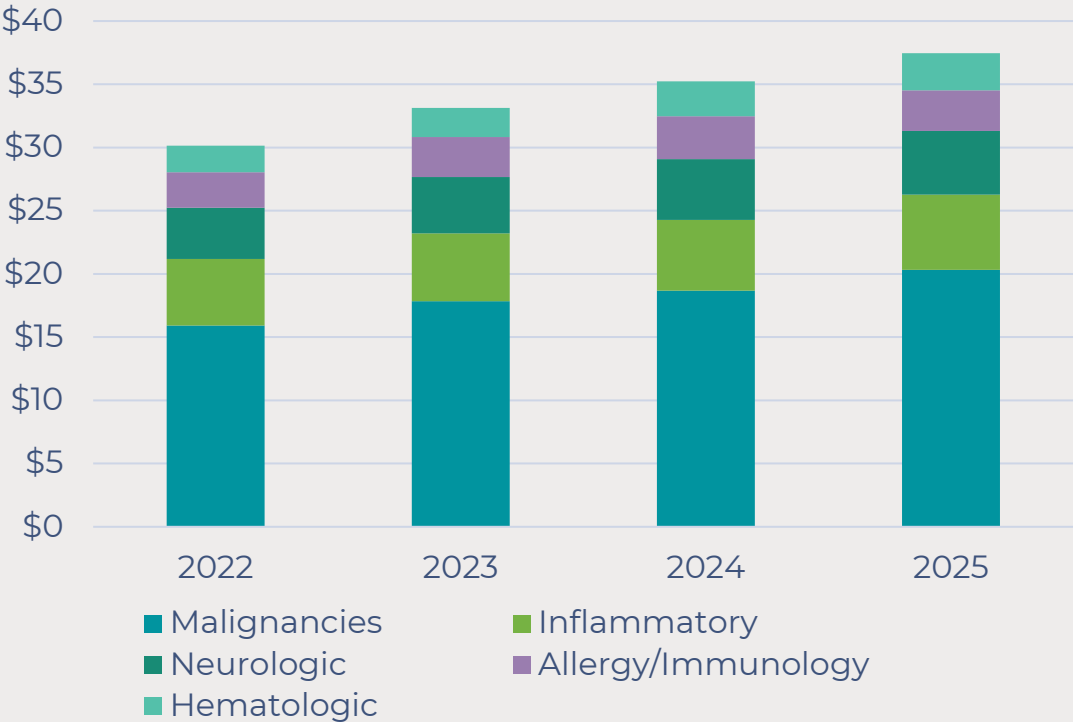
J code Impact on Spend



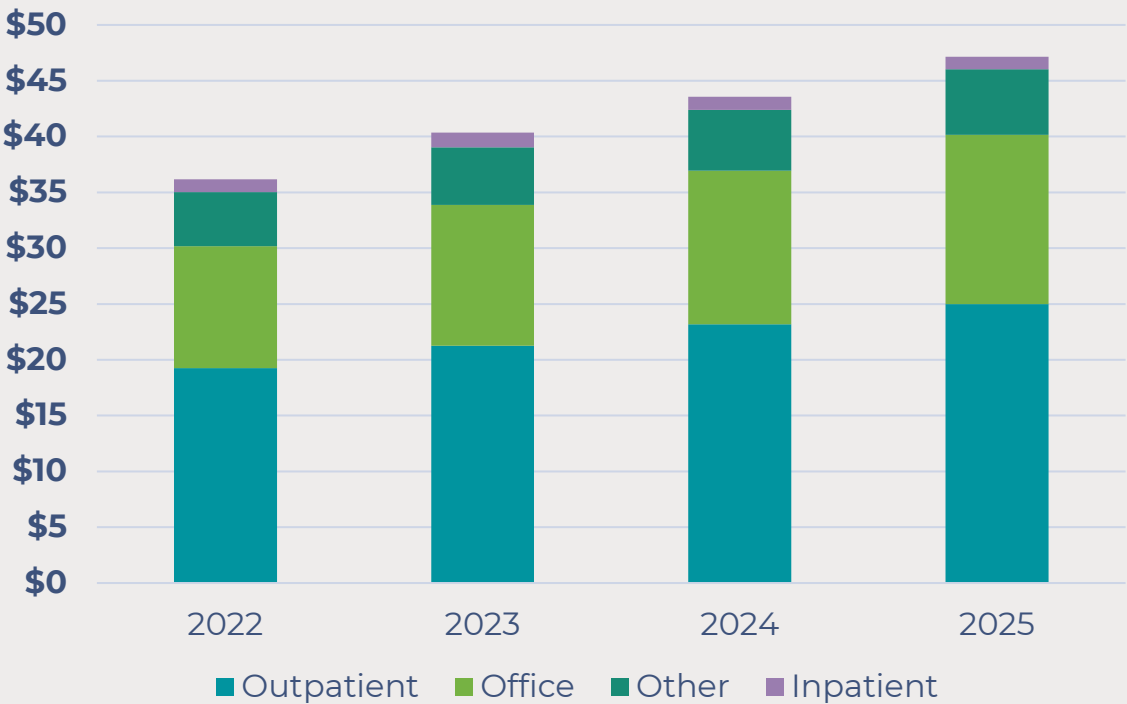
- Soliris \$400k-\$600k annually
- Keytruda \$150-\$200k annually
- Remicade \$25k-\$45k annually

J-code Trends

Total Cost PMPM by Drug Category



Total Cost PMPM by Place of Service



**J-code blocks can be effective when managed properly so member experience is not impacted.
Not all vendors are created equally in this space.**

PBM Comparison

Top 15 PBM by Total Cost in 2025

- % NADAC is calculated for non-generic medications
- Example Calculation
 - Non-Generic Spend \$100,000
 - Under NADAC price would have been \$98,000
 - Estimated Rebates \$49,000

Carrier	Total Cost	% NADAC	2024 % of Estimated Rebates
OPTUMRX	\$92,089,665	107%	82%
RXBenefits	\$83,455,350	102%	92%
ANTHEM	\$78,648,507	96%	86%
CAREMARK	\$76,190,382	91%	121%
NAVITUS	\$59,054,841	97%	116%
UHC	\$46,752,083	106%	84%
EXPRESS SCRIPTS	\$39,668,302	109%	88%
AETNA	\$38,438,115	113%	47%
CIGNA	\$36,505,127	115%	56%
BCBSTX	\$35,617,018	102%	82%
CAPITAL RX	\$20,206,579	104%	84%
BCBSAL	\$18,453,492	110%	78%
MAXOR PLUS	\$16,050,343	112%	72%

Top 5 PBM Trends 2026



Regulatory Changes

Specialty / Biosimilars



GLP-1s

Pricing



Rebate Compression



2025 Stats:

Three PBM's still control approximately 80% of the market

- CVS Caremark
- Optum/United Healthcare
- Express Scripts/Evernorth

- **In 2025 the FDA approved 46 “novel” drugs**
- **Manufacturers raised prices** on over 350 branded medications in January 2026
- **Inflation Reduction Act** medication list continues to expand in 2026 and beyond- price reductions lead to rebate credits
- **Mark Cuban Cost Plus** like programs adoption is slow
- **New pricing models** introduced by Big Three, e.g. CVS's “Cost plus” model wreak havoc on HDHPs

Regulatory Changes: State Actions

Issue Areas

340b Affiliate Pharmacies/Anti-Steering

Audit Any Willing Pharmacy Biosimilars

Copay Accumulator Copay Cap Clawback

Coverage Mandates Disclosure/Transparency

ERISA Fees Forced Pharmacy Closure

Frozen Formulary Gag Order Gold Carding

Generic Substitution/Therapeutic Interchange

Licensure/Registration MAC Mail-Order

Network Adequacy PBM Compensation/Delinking

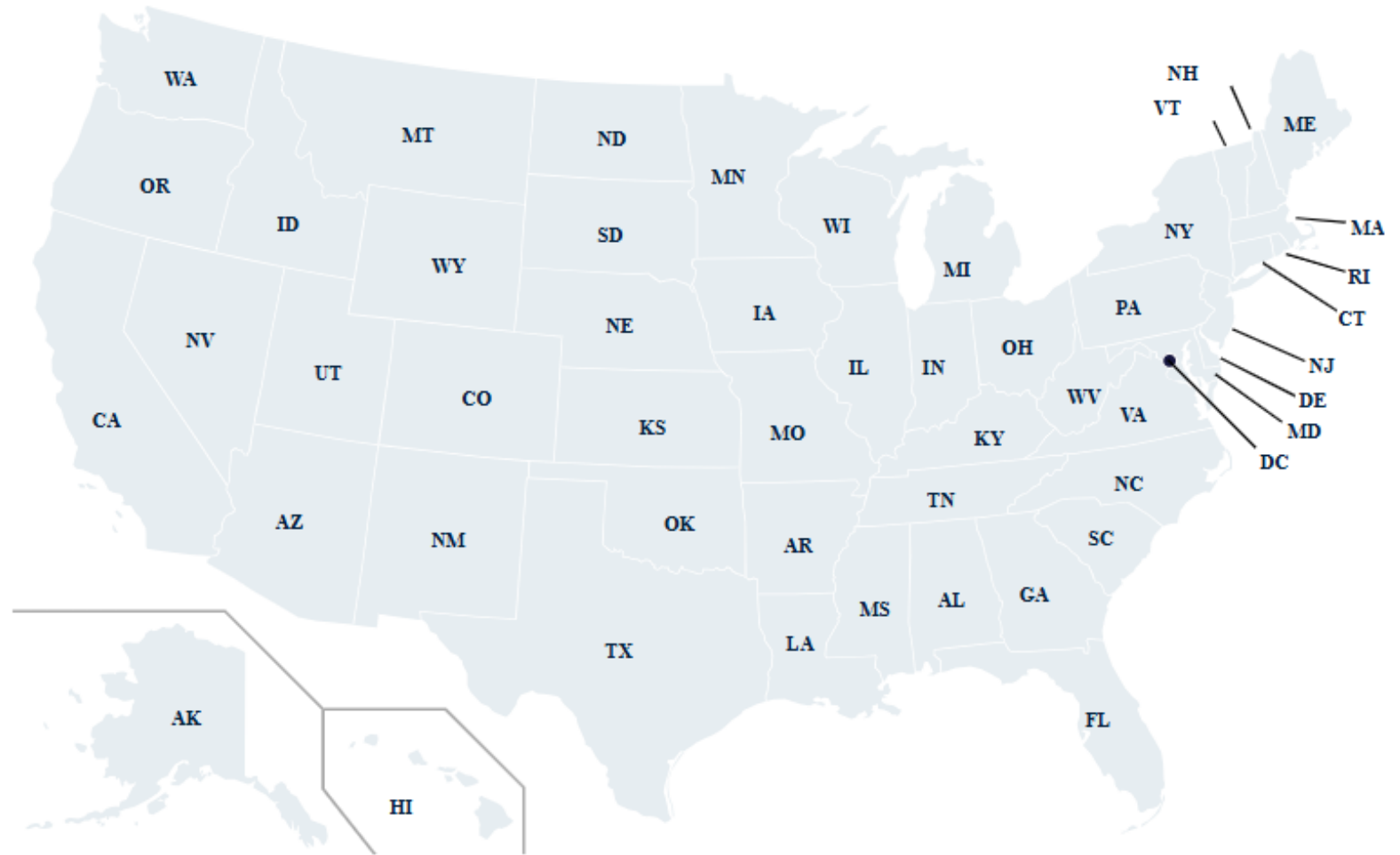
PBM Duty Of Care PBM Studies

Pharmacy Accreditation Pharmacy Reimbursement

POS Rebates PSAO Prompt Pay

Rebates Specialty Spread Pricing

Utilization Management White Bagging



WWW.PCMANET.ORG/STATE-ISSUE-MAP/

RECENT ENACTED LAW

STATES/TERRITORIES: 44

STATUTES/BILLS: 343

Understanding the PBM Landscape

Specialty Drugs

- 2025 Specialty Drug Spend trend averaged 13.3%
- Expanded indications for multiple medications
- Reclassification of specialty drugs to non-specialty (impact on rebate guarantees)
- Changes in manufacturer assistance/copay programs
- Slow PBM adoption of Humira & Stelara biosimilars
 - Inconsistent use of Low WAC Biosimilars
 - Shift to 2nd-3rd line agents in the autoimmune space due to poor UM management (Skyrizi, Rinvoq, etc.)
- High volume of LDD and Orphan drugs in pipeline
Pressure on manufacturers to lower prices (Ibrance WAC reduction announcement)

Traditional Drugs

- 2025 Traditional Drug Spend trend averaged 4-5.5%
- Historically low-cost generic drugs were the cornerstone of chronic condition management.
- Clinical guidelines prefer newer high-cost branded agents as first line therapy.
- Relaxed PBM utilization management guardrails (“automation”)
- Inflation Reduction Act lowering the cost of brand drugs, impacting rebate earning.
- GLP-1 price reductions effective 1/1/27 will have large impacts on rebate guarantees.
- Expanded indications for GLP-1 and newer novel therapies will drive unit cost

The Shift in Rebates: Buyer Beware

Impacts to Monitor:

- Legislation impacts: Disincentivizes rebates
- Reduce network discount guarantees with increased rebate guarantees.
- Rebate credit application resulting in rebate guarantee offsets/lower rebate payments.
- Formularies favoring drugs with the highest rebates, not the lowest net cost.
- PBMs rebranding margins as new "service fees" (e.g., formulary management fees, data access charges).
- As rebates become less central, expect more network management fees, white bagging, specialty pharmacy markup.

Key Predictions for the Next 12-36 Months

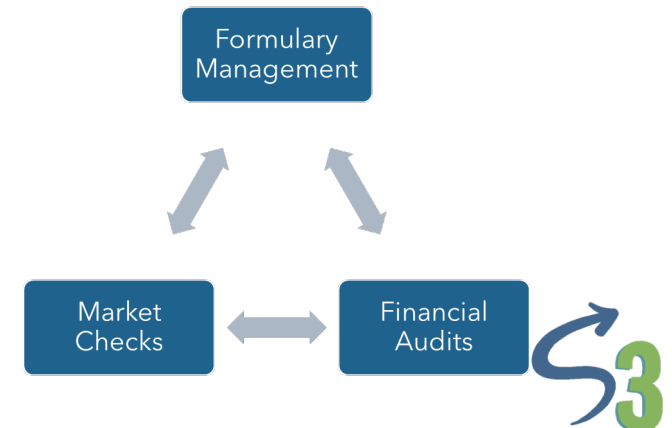
AN EVERCHANGING LANDSCAPE

Trend	What to Expect
Lower Risk Tolerance	PBMs less willing to take risks with price guarantees and financial terms.
Rebate Compression	Downward pressure on rebates due to biosimilar adoption, most favored nation pricing, etc.
Brand Drug Discount Compression & Higher Dispense Fees	Cost plus pricing models will place pressure on brand drug discounts and increased dispense fees.
New Revenue Channels	PBMs will offset lost rebate income with new fees.
Formulary Rigidity	Resistance to prefer lower-cost options without rebates, even where clinically appropriate.
Fulfillment Steering	More aggressive redirection to vertically integrated pharmacies.
Cost Containment Program Shrinkage	Pressure from drug manufacturers & traditional PBMs, will reduce program savings.

Effective Pharmacy Benefit Management (PBM) Oversight

Managing Three Key Levers Now

- **Formulary strategy** to guide evidence-based and cost-effective medication use
 - Align formulary design with **evidence-based prescribing**
 - Promote **generics and biosimilars**
 - Optimize **therapeutic interchange opportunities**
 - Manage **specialty drug utilization**
- **Market checks and benchmarking** to ensure competitive pricing and rebate structures
 - Discounts and rebate guarantees
 - Administrative fees
 - Specialty pharmacy pricing
- **Audits and compliance monitoring** to validate contract performance and financial accuracy
 - Audit focus areas
 - Rebate pass-through accuracy
 - Claims adjudication accuracy
 - Contract performance guarantees
 - Specialty drug pricing compliance
 - Discounts and rebate



Key Considerations for Employers/Prospects

How to Prepare for the Long-Term

Strategically plan your next renewal (don't get locked into a bad deal)

- Evaluate your current PBM partner-What value do they bring?
 - Understanding fees and “new” PBM sources of revenue
 - Is your PBM contract “built for the future”?
- Ensure employers understand shrinking rebate revenue
 - Are they prepared to budget appropriately
- Ensure plan set up aligns/complies with federal and state requirements
 - Establish checks and balances to ensure accuracy

Continuous Performance Monitoring

- Confirm formulary strategy is based on evidence-based guidelines and cost-effective medication use
- Engage a trusted partner to evaluate clinical protocols/guardrails are in place and are adhered to Ensure new to market medications are managed appropriately





Questions?

