

PNC PHARMA & LIFE SCIENCES

Monthly News Brief

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CRO Industry Outsourcing Trends Report *(Contract Pharma)*

The global Contract Research Organization (CRO) market is projecting a 9.4% CAGR, reaching \$175.5B by 2032 up from \$79.5B in 2023. This growth is driven by increasing trial complexity, rising costs, and the need to create efficiencies in drug development. CROs offer specialized expertise in clinical trial management, data analysis, therapeutic areas, and regulatory compliance, addressing challenges like managing vast data, using advanced technologies like AI, and adapting to evolving regulations

CGT Outsourcing: Trends, Challenges, and Future Growth *(Contract Pharma)*

The cell and gene therapy (CGT) contract development and manufacturing organizations (CDMOs) outsourcing market is projecting a 28% CAGR, reaching \$74B by 2034 up from \$8B in 2025, driven by a growing clinical pipeline (2,200 therapies currently in development) and increasing regulatory approvals. However, CGT companies face significant challenges, including high costs of goods, limited availability of experienced CDMOs, and complex technical and regulatory hurdles. The future of CGT manufacturing and outsourcing will be characterized by continued technological innovation, market growth and consolidation, and the ongoing evolution of CDMOs to meet the industry's unique demands

Historic Medicaid Cuts To Come As Trump Signs Domestic Policy Bill *(MedTech Dive)*

The approval of "One Big Beautiful Bill" sets in motion massive funding and eligibility cuts to Medicare. Some of the healthcare provisions include work requirements, semi-annual eligibility checks, cost-sharing, freezes provider taxes – a mechanism states use to finance their share of Medicaid, state-directed payment, Affordable Care Act subsidy verification, limit immigrant eligibility for Medicare, Medicaid and ACA premium tax credits, rural healthcare support, and nursing home staffing

Trump Delays Ethylene Oxide Emissions Standards For Device Sterilizers *(MedTech Dive)*

New emissions standards, finalized by the Environmental Protection Agency last year, would have tightened emissions limits for ethylene oxide (EtO), a cancer-causing chemical used to sterilize medical devices, starting in April 2026, but now they're being pushed back by two years. The EtO rule places "severe burdens" on commercialization facilities and the current timeline would likely force certain sterilization facilities to close, disrupting the supply of medical equipment

2024 Gross-to-Net Realities at 9 Top Drugmakers: A New Era of Market Access *(Drug Channels)*

The "gross-to-net-bubble," which is the gap between brand-name drug sales at list prices and their net revenues after rebates and discounts, increased to \$356B in 2024, a 7% increase over the previous year. Despite this record total, the bubble expanded at the slowest rate in at least a decade. Five key forces driving this shift, including manufacturers' evolving market access strategies, which increasingly aim to offset growing pricing pressure from both commercial and government payers. Gross-to-net difference in price changes of the top 9 drugmakers ranged from -12.8% to +6.3%, reflecting significant differences in the manufacturers' portfolio mix and pricing strategies

The 340B Contract Pharmacy Market in 2025: Big Chains and PBMs Tighten their Grip *(Drug Channels)*

The 340B Drug Pricing Program has emerged as a growing source of profits for pharmacies and pharmacy benefit managers (PBMs). Analysis of the 2025 market reveals a highly concentrated market structure increasingly dominated by 5 contract pharmacies (76% market share) and illustrates just how far the 340B program's operations have diverged from its original intent

MedTech Firms Slash Expected tariff charges *(MedTech Dive)*

Three months after medical device firms warned investors about significant financial impacts in 2025 due to pending tariff policies, companies are now reducing expected charges by hundreds of millions of dollars. However, while MedTech companies have slashed their expected tariff charges, the effect of the pending trade policies on businesses expect the majority of costs to be incurred in the second half of the year

Quest, Labcorp downplay 'Big Beautiful Bill' impact *(MedTech Dive)*

Executives at laboratory companies Quest and Labcorp reassured investors on 2Q earnings calls that they expect the effects on testing services from the tax and domestic policy bill, including cuts to Medicaid, will be minimal. While lab testing is an essential tool used in almost every healthcare decision, it accounts for a "very small fraction" of U.S. healthcare spending. Management estimates the cuts to Medicaid will have minimal impact in 2026 and "very little" impact in 2027 because states will have time to react to the changes

Trump issues 60-day ultimatum for big pharma to lower drug prices *(MSN)*

President Trump sent letters to 17 leading pharmaceutical manufacturers demanding that they take steps to lower drug prices in the U.S. within 60 days in line with his most-favored-nation (MFN) drug pricing policy. The letters relate to a Trump executive order signed in May that directed the Department of Health and Human Services to implement the policy under which drugmakers are required to lower prices of brand-name drugs to the level of those in OECD (Organization for Economic Cooperation and Development) countries. Trump has demanded that the company and its rivals take four actions, including applying MFN pricing to Medicaid and providing for direct purchases at MFN pricing to achieve his goals

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