PNC PHARMA & LIFE SCIENCES

Monthly News Brief

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Abbott Launches MRD Test with Improved Cancer Detection Tech *(MedTech Dive)*
Abbott launched an upgraded version of its Oncodetect molecular residual disease (MRD) blood test, using whole-genome sequencing to detect extremely low levels of circulating tumor DNA and provide earlier warning of cancer recurrence. The test tracks up to 5,000 patient-specific mutations, versus 200 previously, and can detect tumor DNA below one part per million. In colorectal cancer, the new test improved sensitivity for recurrence within two years by 30 percentage points.

Pharma's $500B Patent Problem Will Come in Waves – Not as a Cliff *(BioPharma Dive)*
The pharmaceutical industry faces more than $500 billion of prescription drug sales potentially at risk from patent expirations between 2026 and 2032, but the impact will occur in waves rather than as a single cliff. Merck is most exposed near term as cancer immunotherapy drug Keytruda approaches patent expiry in 2028, while other major pharmaceutical companies face greater pressure in later years. To offset future revenue losses, major drugmakers are increasingly relying on M&A, pipeline development, and lifecycle-management strategies.

CVS to Pay $315MM to Settle Opioid Prescribing Allegations *(BioPharma Dive)*
CVS Pharmacy agreed to pay $315 million to resolve federal allegations that it unlawfully filled medically unnecessary prescriptions for opioids and other controlled substances and improperly sought Medicare reimbursement for some prescriptions. The settlement resolves a 2024 lawsuit alleging CVS dispensed opioids without legitimate medical purposes and in excessive quantities, and is in addition to a $5 billion settlement in 2022. CVS did not admit wrongdoing and disputed the allegations.

Stryker Lowers 2026 Guidance After Slowdown in Hip, Knee Procedures *(MedTech Dive)*
Stryker lowered its 2026 sales growth guidance after a slowdown in hip and knee replacement procedures, with knee sales growing 1.1% in the quarter compared with the year-ago period and hip sales decreasing by 1%. Management attributed weaker volumes to economic pressures, including higher insurance premiums and deductibles and pre-authorization denials that are causing patients to delay procedures. Joint replacement procedures have historically been tied to economic cycles.

Softer Surgery Volumes, Hospital Woes Dampened UHS' Q3 Earnings *(Healthcare Dive)*
Universal Health Services reported weaker third-quarter earnings as declining surgery volumes and losses at newer hospitals pressured profitability. Same-facility surgeries fell 0.7% year-over-year as procedures continued shifting toward outpatient settings in its inpatient-heavy portfolio. Patients have been increasingly getting surgeries in outpatient facilities, including ambulatory care centers and physician offices, enticed by lower costs and more convenient care options.

Patient and Payer Spending on Drugs Purchased Through the 340B Program Reached $244B in 2025 *(BRG)*
In 2025, 340B Drug Pricing Program ("340B program") sales totaled $102.1 billion measured at the discounted 340B price. This represents significant growth over prior years, with 340B sales growing by 152% between 2020 and 2025, during which period net sales of all drugs in the US grew by only 56%. Despite this growth, metrics focused on sales at the 340B price substantially understate the true size of the program. In 2025, 340B prices were, on average, 57% below list prices. Covered entities received ~$244.3 billion in reimbursement from payers and patients in 2025 for drugs purchased through the 340B program.

Labor Department Finalizes Sweeping PBM Disclosure Rule *(Healthcare Dive)*
The Department of Labor finalized a rule requiring pharmacy benefit managers (PBMs) to provide large, self-insured employers with detailed disclosures on compensation, including drug rebates, spread payments, and other fees. Effective July 2027, disclosures will be required during contract negotiations or renewals and every six months, while employers may audit PBMs annually. The government estimates the rule could reduce drug costs by $22 billion over a decade by improving employers' negotiating leverage and oversight. PBMs oppose the rule, arguing it is burdensome, redundant with existing federal requirements, and could affect smaller competitors.

HHS to Allow Compounders to Make 6 Unapproved Peptides *(BioPharma Dive)*
HHS will allow licensed pharmacies, federal facilities, and doctors to compound six unapproved peptides without facing enforcement action. The peptides have not undergone clinical trials establishing safety and efficacy, and FDA reviewers had opposed broader use. Health Secretary Robert F. Kennedy Jr. argues the policy will increase patient choice and provide a more controlled alternative to black- and gray-market products. Critics warn it could increase exposure to untested drugs and lead to safety risks. The peptide telehealth market is estimated to be worth $1.1 billion to $2.2 billion a year.

Labcorp, Quest Urge RESULTS Act Passage as Lab Payment Cuts Loom *(MedTech Dive)*
Labcorp and Quest Diagnostics are urging Congress to pass the RESULTS Act before year-end as significant Medicare laboratory reimbursement cuts are scheduled for 2027. CMS' preliminary fee schedule would cut payments by 15% on 775 tests, costing Labcorp an estimated $125 million and Quest roughly 1% of revenue next year. The RESULTS Act would instead use an independent commercial claims database to establish reimbursement rates, potentially creating a more representative payment methodology.

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