

PNC PHARMA & LIFE SCIENCES

Monthly News Brief

January 2025

[**5 Questions Facing Pharma in 2025**](#) *(BioPharma Dive)*

[**5 Questions Facing Emerging Biotech in 2025**](#) *(BioPharma Dive)*

[**5 MedTech Trends to Watch in 2025**](#) *(MedTech Dive)*

[**4 Robotic Surgery Trends to Watch in 2025**](#) *(MedTech Dive)*

[**Top Healthcare Technology Trends in 2025**](#) *(MedTech Dive)*

[**AI in MedTech is Taking Off. Here are 4 Trends to Watch in 2025**](#) *(BioPharma Dive)*

[**Inflation Adjusted U.S. Brand-Name Drug Prices Fell**](#) *(Drug Channels)*

For 2024, average brand-name drugs' list prices grew by ~2%, the lowest increase in the last 10 years. However, on a net price basis brand-name drugs only increased 0.1%, and after adjusting for overall inflation net prices dropped 3.0% for an unprecedented seventh consecutive year. The combined impact of changes to Medicaid rebates, the Inflation Reduction Act (IRA), and novel formulary access strategies have led multiple manufacturers to pop the gross-to-net bubble for high-list/high-rebate products. Employers, health plans, and pharmacy benefit managers (PBMs) determine the extent to which patients with insurance share in this ongoing deflation. But signs of change to the conventional approaches are undeniable

[**J&J Joins Pfizer in Detailing Impact of Part D Redesign Boost?**](#) *(BioPharma Dive)*

Johnson & Johnson expects changes in Medicare's prescription drug benefit will negatively impact sales by ~\$2B. The changes are the result of a redesign under the Inflation Reduction Act to Medicare's Part D benefit, which covers outpatient drug treatment. The 2022 law capped annual out-of-pocket spending by people enrolled in Part D to \$2,000 beginning this year and required drugmakers provide additional discounts within certain phases of coverage, among other tweaks. The Part D redesign brought on by the Inflation Reduction Act is proving consequential to drugmakers' business as the law's provisions allowing Medicare to negotiate certain drug prices get more attention. Pfizer is projecting a \$1B headwind from these reimbursement changes

[**Ozempic, Ibrance Among Next Drugs Picked by Medicare for Price Talks**](#) *(BioPharma Dive)*

CMS announced the 15 drugs selected for the 2nd round of price negotiations with Medicare. The new prices will go into effect in 2027. Semaglutide, the popular drug sold by Novo Nordisk as Ozempic for diabetes and Wegovy for weight loss, is on the list. Over the last year, ~5.25 million people took one or more of the 15 selected medicines which accounted for \$41B in gross spending by Medicare on those products, or ~14% of total prescription drug costs under "Part D"

[**FTC Again Goes After PBM's Business Practices in New Report**](#) *(BioPharma Dive)*

Three years ago, the FTC launched an inquiry into PBMs, which negotiate with pharmaceutical companies for discounts on drugs and pay pharmacies for dispensing them. PBMs, claim they save plans and patients money by pressuring drugmakers to lower the cost of drugs. However, the FTC's first report found consolidation has resulted in a few major players wielding outsized influence to profit at the expense of patients and independent pharmacies. The second report which was released in January 2025 analyzed a larger set of drugs after PBMs shared more data and found the big 3 Caremark, Optum RX and Express Scripts had marked up specialty generic drugs dispensed at affiliated pharmacies beyond their estimated acquisition costs which generated an additional \$7.3B of revenue from 2016 to 2022

[**Drugmakers to Raise US Prices on Over 250 Medicines Starting Jan. 1**](#) *(Reuters)*

Drugmakers plan to raise U.S. list prices on at least 250 branded medications including Pfizer COVID-19 treatment Paxlovid, Bristol Myers Squibb's cancer cell therapies and vaccines from France's Sanofi at the start of 2025. The increases are to list prices, which do not include rebates to pharmacy benefit managers and other discounts and nearly all the drug price increases are below 10% and the median increase is 4.5%, which is in line with the median for all price increases in 2024. Larger drug price increases were once far more common in the U.S. but in recent years drugmakers have scaled them back after price hikes drew sharp criticism in the middle of the last decade

This news brief was prepared for general information purposes only and is not intended as legal, tax or accounting advice and does not constitute the provision of investment or economic advice to any person, or a recommendations to buy or sell security or adopt any investment strategy. Under no circumstances should any information contained in this brief be used or considered as an offer or commitment, or a solicitation of an offer or commitment, to participate in any particular transaction or strategy. Opinions and forecasts expressed herein are subject to change without notice. Relevant information was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy. Any reliance upon any such information is solely and exclusively at your own risk. Please consult your own counsel, accountant or other investment professional to discuss, or tailor a financial plan, to your specific situation. Neither PNC Bank nor any other subsidiary of The PNC Financial Services Group, Inc. will be responsible for any consequences of reliance upon any opinion or statement contained here, or any omission. PNC is a registered mark of The PNC Financial Services Group, Inc. ("PNC"). ©2025 The PNC Financial Services Group, Inc. All rights reserved.