PNC PHARMA & LIFE SCIENCES

Monthly News Brief

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Lilly Unveils $3 Billion Production Expansion in China *(BioPharma Dive)*

Eli Lilly announced plans to invest $3B to expand its manufacturing footprint in China to support the launch of its oral GLP-1 drug for diabetes and obesity. The investment focuses on building a localized supply chain for oral solid dosage forms, centered on Lilly's existing facility in Suzhou and partnerships with local manufacturers. The expansion is intended to ensure sufficient supply for the Chinese market even as the company simultaneously ramps up manufacturing capacity in the U.S. amid geopolitical pressure to reshore drug production.

Novo, Hims Reach Deal to Sell GLP-1 Drugs Together *(BioPharma Dive)*

Hims & Hers reached an agreement with Novo Nordisk to offer the FDA-approved GLP-1 drugs Ozempic and Wegovy on its telehealth platform, ending a lawsuit between the companies. Under the deal, Hims will sell Novo's branded obesity and diabetes drugs at standard self-pay prices and will stop promoting compounded versions of GLP-1 medicines. Hims is one of many telehealth firms that used legal loopholes to capitalize on the demand for GLP-1 drugs by making lower-cost, compounded versions of Novo's Wegovy and Eli Lilly's Zepbound when those medicines were in short supply. Despite lawsuits and warnings from the FDA, those efforts have continued even after the end of those shortages, as compounders have used methods of personalizing treatment regimens to comply with federal laws.

Manufacturers Brace for Price Increases for Strait of Hormuz Closure *(Medtech Dive)*

The closure of the Strait of Hormuz is disrupting global energy and petrochemical supply chains, driving sharp increases in oil, plastics, and transportation costs. Manufacturers are facing higher input and logistics expenses, particularly for petrochemical based materials such as polypropylene which has seen prices jumped 24% this month. While some companies are initially absorbing costs, prolonged disruption is expected to lead to broader price pass through across manufactured goods.

CVS, FTC Reach Proposed Settlement in Insulin Pricing Case *(Medtech Dive)*

CVS Health reached a proposed settlement with the FTC in the lawsuit alleging that major pharmacy benefit managers inflated U.S. insulin prices through anticompetitive practices. The agreement would resolve all claims against CVS' PBM Caremark and its group purchasing organization Zinc, pending approval. While the settlement terms have not been disclosed, they are expected to mirror the FTC's earlier deal with Express Scripts, potentially leaving UnitedHealth's Optum Rx as the sole remaining defendant in the case.

Stryker Restores Most Manufacturing After Cyberattack *(Medtech Dive)*

Stryker has restored most manufacturing sites and critical production lines roughly two weeks after a cyberattack disrupted its operations. The March 11 attack impacted the company's internal Microsoft environment, affecting order processing, shipping, and manufacturing, which led to some medical procedure delays due to shipping disruptions.

New FDA Guidance Could Elevate Pharma's Biosimilar Market *(BioPharma Dive)*

The FDA issued draft guidance aimed at accelerating biosimilar development by easing testing requirements, including allowing greater use of non-U.S. comparator data and reducing the need for clinical studies in some cases. The changes could significantly lower development costs and shorten timelines, potentially helping biosimilars play a larger role in lowering U.S. biologic drug prices. Despite more than 80 biosimilars approved to date, adoption has been limited due to regulatory hurdles, patent barriers and restricted formulary access. The FDA hopes the streamlined pathway will spur competition, particularly as high-revenue biologics approach patent expiration.

EPA Proposes Weakening Ethylene Oxide Emission Regulations *(Medtech Dive)*

The EPA proposed rolling back 2024 emissions standards for ethylene oxide (EtO), a carcinogenic gas used to sterilize medical devices, arguing the stricter rules threaten the medical supply chain. The proposal would relax requirements for emissions monitoring and pollution controls that were intended to reduce EtO emissions from commercial sterilization facilities and lower cancer risk for nearby communities. While the EPA and medical device industry say the changes are needed to avoid device shortages, public health groups warned that weakening the rules could increase cancer risk for workers and residents living near sterilization plants.

Trump Administration Targets DME Suppliers in Fraud Crackdown *(Medtech Dive)*

The Trump administration announced a six-month nationwide moratorium on Medicare enrollment for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) providers as part of a healthcare fraud crackdown. The freeze applies to new enrollments and changes in majority ownership and is intended to curb longstanding fraud in the sector. It previously blocked more than $1.5B in suspected fraudulent DME billing and plans to shift from a "pay and chase" approach to real time fraud detection using advanced analytics. The action follows multiple government audits highlighting overpayments and systemic vulnerabilities in the DMEPOS program.

Hospitals' Financial Performance Off to a Shaky Start in 2026 *(HealthCare Dive)*

U.S. hospitals began 2026 under financial pressure due to rising bad debt, higher expenses, and declining patient volumes. Bad debt and charity care increased 8% YoY in January, while total expenses rose 5%, driven by higher labor, supply, and drug costs. At the same time, inpatient and outpatient volumes declined, reducing revenue. These pressures are unlikely to ease in 2026 as structural costs rise and coverage losses increase uncompensated care, forcing hospitals to be more strategic in managing spending and resource allocation.