

## Innovation Drives Healthcare Spending



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### SEVERAL RECENTLY RELEASED REPORTS HAVE HIGHLIGHTED

how innovation in the prescription market is driving healthcare spending. IQVIA released its *U.S. Medicine Use Trends 2026* report on April 28. The American Society of Health-System Pharmacists (ASHP) published its annual report “National trends in prescription drug expenditures and projections for 2026” on April 30. Both reports focus on higher-than-anticipated prescription expenditures, primarily driven by innovator products, including the GIP/GLP-1 antagonists and apixaban (Eliquis).

#### Some highlights:

- Total prescription medicine use increased 1.5%, reaching 210 billion days of therapy in 2025, with five-year growth reaching 13%.
- Overall pharmaceutical expenditures in the United States grew 12.7% compared to 2024, for a total of \$915.2 billion.
- Vaccines saw mixed trends: seasonal vaccines declined significantly while a number of routine vaccines increased (e.g., pneumonia and RSV [respiratory syncytial virus]).

The ASHP report authors attribute the growth to increased drug utilization (9.3%), new drugs (0.9%), and price increases (.05%).

Medications used in retail settings account for 84% of medicine use, with only 16% in other settings that saw a greater percentage of growth year to year.

Patients continue to experience access barriers to medications, with nearly two-thirds of prescriptions for newly launched drugs going unfilled in the first year on the market, followed by limited coverage persisting for several years. On average, IQVIA says 35% of these prescriptions were filled, while 65% went unfilled, including an average of 49% rejected by payers and 17% abandoned by patients after payer

approval, likely due to high out-of-pocket costs.

Patient out-of-pocket costs reached a record \$110 billion in 2025, increasing by \$6 billion. While implementation of the Medicare Part D out-of-pocket cap reduced overall spending by Medicare beneficiaries, it was offset by increases in other pay types driven by GIP/GLP-1s.

Commercial insurance out-of-pocket costs, which account for 52% of total patient out-of-pocket costs, rose 5% in aggregate in 2025, and 37% over five years, due to increased volume and a shift toward higher-cost prescriptions. Medicare out-of-pocket costs declined by \$638 million (2.2%) in aggregate in 2025, following the implementation of the Medicare Part D out-of-pocket cap; however, costs remain more than \$5.3 billion (23%) higher than in 2020, driven by increased volume and shifts in prescription mix.

New products are a primary driver in the increased drug spending. According to the IQVIA report, “Between 2020 and 2024, 99 novel medicines launched in retail and mail channels in the U.S., often providing benefits over standard of care or addressing unmet needs. For these medicines, 7 million new prescriptions were written in the first year of availability, with 64% related to RSV vaccines alone.” GIP/GLP-1 agonists across diabetes and obesity contributed \$14 billion in growth, with \$9.6 billion concentrated in products approved for obesity and related comorbidities.

Looking ahead, both reports project significant market growth. IQVIA estimates total net spending on medicines in 2030 to increase by \$200 billion compared to 2025. Medicine spending is projected to grow between 6% and 9% on a list-price basis and 4.5% to 7.5% after discounts, rebates, and other price concessions. The ASHP report estimates overall prescription drug spending to rise by 10.0% to 12.0% in 2026, exceeding \$1 trillion. Both reports attribute much growth to new drugs and adoption of recently launched innovative products. An average of 50–55 new medicines are expected to launch annually over the next five years, including

therapies in oncology, immunology, and other specialty areas, as well as more traditional treatments in diabetes, obesity, and neurology.

More detail can be found by accessing each report. The IQVIA report is available for a fee, while the ASHP report has been published in the *American Journal of Health-System Pharmacy* (<https://doi.org/10.1093/ajhp/zxag115>). The ASHP report breaks down expenditures by sector, by top 25 drugs overall, and top 25 by sector. It also features expenditures in clinics and hospital for biologics. I look forward to many of these highlights from IQVIA during the next ASAP conference, which is scheduled for Jan. 13–15, 2027, at the Ritz-Carlton in Amelia Island, Florida.

Speaking of meetings, I always find my participation at national events to be stimulating. I see new innovations, meet new colleagues, and learn new things. That was the case at the American Pharmacists Association Annual Meeting & Exposition held in March 2026 in Los Angeles. I made it a point to visit the majority of exhibitors and saw a few really cool new ideas I wanted to share:

- An AI-enabled tablet application that helped automatically count tablets and capsules on a pill counter. This could be a potentially cost-saving

solution to traditional pill-counting automation.

- An aluminum-based pill vial that is recyclable and sustainable and may allow for a much higher recycling rate than typical plastic vials (3%), as 75% of all aluminum ever produced is still in use today. The vials come in different colors and could also be used to help with medication schedules.
- A potential packaging prototype that would allow injectable pen device delivery systems to be packaged in individual units versus packs of three or five, an efficient solution to a waste problem for patients using less than a full pack.

I am looking forward to attending some wholesaler events this summer and the National Community Pharmacists Association Annual Convention in October, where I am sure there will be even more new ideas and innovations to explore! **PTMR**

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