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Generic Drugmakers Navigate Industry Turmoil with Resilience and Patient-First Focus

(Source: An article by Sandra Levy for Drug Store News)

According to the Association for Accessible Medicines' (AAM) *2024 U.S. Generic and Biosimilar Medicines Savings Report*, the use of the U.S. Food and Drug Administration-approved generic and biosimilar medicines created US$445 billion in savings in 2023 for patients and the U.S. healthcare system, and more than US$3 trillion in savings over the last ten years. Savings from biosimilar medicines alone increased to US$12.4 billion in 2023 and US$36 billion since the first biosimilar medicine made its debut in 2015.

While savings to the healthcare system are excellent news, former AAM president and CEO, David Gaugh, cautioned "that the long-term sustainability and success of these industries and the very health of our nation's patients hang in the balance."

Particularly concerning is the increase in the rate of drug shortages in light of challenges facing manufacturers, including rapid price deflation, supply chain issues, Medicaid rebate policies that negatively impact generic competition, slower adoption of new products due to pharmacy benefit management financial engineering and brand drug patent challenges. Others in the industry echo these concerns.

Despite positive trends the biosimilars market faces severe challenges to long-term sustainability. Of note, in 2023 only a few biosimilar products achieved one third of the market, versus brand biologics. It is vital that improvements be made to develop a robust marketplace that supports multiple biosimilar competitors and avoids the "race to the bottom" pricing that has been a driver in generic drug shortages.

While focusing on bringing new products to patients, generics companies are facing numerous formidable obstacles. However, executives from several generic drug companies have provided proof that by focusing on innovation, they can provide top notch service to their customers and patients.

Maintaining a consistent supply of product has become a real problem of industry and generics firms who are forced to face this challenge with serious efforts. Some companies are dealing with this by maintaining a higher inventory level and collaborating with customers for more accurate forecasting models.

One of the largest U.S. generic pharmaceutical manufacturers, Amneal, has focused on operations as well as research and development. They are collaborating with Apiject Systems to expand Amneal's footprint with sterile pharmaceutical capabilities at its Brookhaven, NY facility. By integrating cutting edge technologies with its sterile manufacturing expertise, Amneal is enhancing the flexibility, scalability and resilience of drug production.

Aurobindo is also a frontrunner when it comes to ensuring product availability. Paul McMahon, president of Aurobindo's oral

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In Brief...

- **Cencora** announced higher Q3 2025 revenue and profits, driven by growth in both the U.S. and international healthcare operations. Revenue rose 8.7% year-over-year to US$80.7 billion fueled by an 8.5% increase in **U.S. Healthcare Solutions** sales and a 10.5% increase in **International Healthcare Solutions**. Gross profit increased 20.9% to US$2.9 billion, boosted by higher margins in the U.S. segment following the acquisition of Retina Consultants of America in January. President and CEO *Robert Mauch* credited the results to the company's pharmaceutical-centric strategy, investments in growth initiatives and productivity gains.
- **McKesson Corporation** released its Q1 2026 financial results with consolidated revenues of US$97.8 billion, an increase of 23%. The strong growth is attributed to the U.S. Pharmaceutical segment with increased prescription volumes from retail national account customers and growth in distribution of oncology and specialty products, including contributions from acquisitions. "McKesson had a standout quarter with momentum and growth across the enterprise," said *Brian Tyler*, McKesson CEO. "We continue to execute against our strategy, delivering for our customers, partners, and patients."
- **IQVIA Holdings**, a leading global provider of clinical research services, commercial insights and healthcare intelligence to the life sciences and healthcare industries, reported financial results for the quarter ended June 30, 2025 with revenues of US$4.02 billion, up 5.3% year-over-

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Brett Barons Joins IFPW Board of Directors

IFPW is pleased to announce the appointment of Brett Barons to the IFPW Board of Directors for the Asia/Australia/New Zealand region.

As CEO of Symbion & Healthcare Distribution, Brett is responsible for the Healthcare division of EBOS. This includes all functions across Australia and New Zealand of retail pharmacy wholesale, institutional healthcare and contract logistics. His career in the pharmacy sector began in 2002 and has included executive positions with Symbion in business development, finance, supply chain and strategy.

"Having been involved with the IFPW for almost 15 years I have seen firsthand the significant role IFPW plays in helping members and stakeholders to advance global health standards, access to medicines and supply chain safety initiatives. I look forward to the opportunity to work with the many member organisations from around the world to continue to deliver on the strategic objectives of the IFPW."

IFPW is excited to have Brett on the Board of Directors and looks forward to his insights and expertise as Director.

Generic Drugmakers *(cont'd.)*...

solids division, said, "In order to keep pace with demand and continue to set itself apart, it is critical for Aurobindo to have highly competitive costs and product availability while holding to the best-in-class standards of compliance and quality. Aurobindo remains focused on strengthening our existing businesses and developing a differentiated and specialty-driven product portfolio."

To download AAM's 2024 U.S. Generic and Biosimilar *Medicines Savings Report, visit https://accessiblemeds.org/resources/blog/2024-savings-report/*

Trump Administration Asks Drugmakers to Initiate Drug Price Cuts

(Source: An Article by Annika Kim Constantino for CNBC)

The Trump administration has asked major pharmaceutical companies to take steps to cut U.S. drug prices before September 29, 2025. Individual letters were sent to 17 drugmakers, including AbbVie, Eli Lilly, EMD Serono, Genentech, Gilead, GSK, Johnson & Johnson, Merck, Novartis, Novo Nordisk, Pfizer, Regeneron and Sanofi.

The letters come after an executive order signed in May that revives a controversial plan, known as the "most favored nation" policy, that aims to cut drug costs by tying the prices of some medicines in the U.S. to the significantly lower ones abroad. It is the latest effort to try to reign in U.S. prescription drug prices, which are two to three times higher on average than those in other developed nations – and up to 10 times more than in certain countries, according to the Rand Corp., a public policy think tank.

Moving forward, the administration will only accept commitments from drugmakers that provide "American families immediate relief from the vastly inflated drug prices and an end to the "free ride of American innovation by European and other developed nations." The administration is focusing on a collaborative effort that would lower U.S. drug prices, the "most effective path" for companies, the government and patients.

The Trump Administration is proposing that drugmakers:

- Provide their full portfolio of existing medicines at the lowest price offered in other developed nations to every single Medicaid patient.
- Contract with the U.S. to guarantee that Medicare, Medicaid and commercial payers receive most-favored-nation prices on all new drugs upon launch and moving forward.
- Negotiate harder with foreign nations and repatriate revenues from abroad in the form of lower prices for American patients and taxpayers through an agreement with the U.S.
- Adopt models that sell their drugs directly to consumers or businesses, which effectively eliminates middlemen and aims to ensure that all Americans get the same most-favored nation prices that companies offer to third-party payers.

Alex Schriver, senior vice president of PhRMA, the industry's largest lobbying group, said "importing foreign price controls would undermine American leadership, hurting patients and workers."

The group added that to reduce price differences with other countries, U.S. officials should "reign in health care middlemen driving up costs for Americans and get foreign countries to pay their fair share for innovative medicines." PhRMA is referring to pharmacy benefit managers, insurers and other payers.

In separate statements, spokespeople for Pfizer, Novo Nordisk and Novartis said they are working to find solutions that help Americans access and afford drugs they need.

Pfizer said that the company's discussions with the Trump administration and Congress "have been productive." Novartis said it is reviewing the letter.

Drugmakers are also bracing for the president's planned tariffs on pharmaceuticals imported into the U.S.

In Brief (cont.)

year and beating expectations. Net income fell 27% to US$266 million and profit margin also dropped to 6.6% from 9.5% the prior year.

- **Cardinal Health** reported Q4 2025 revenues of US$60.2 billion, relatively unchanged from Q4 2024. Fourth quarter revenue increased 21% excluding the impact of a previously communicated customer contract expiration. FY2025 revenue was US$222.6 billion, a 2% decrease year-over-year. "Fiscal year 2025 was a transformative year for Cardinal Health, and we closed the year with momentum, delivering strong fourth quarter results," said *Jason Hollar*, CEO of Cardinal Health. Separately, the company announced that **The Specialty Alliance**, its multi-specialty management services (MSO) organization platform, has entered into a definitive agreement to acquire **Solaris Health**, the leading U.S. urology MSO, from **Lee Equity Partners** and Solaris Health physician owners. The transaction accelerates Cardinal Health's multi-specialty growth strategy by extending the reach of The Specialty Alliance.
- The **U.S. Department of Health and Human Services (HHS)** announced a plan to end mRNA work funded by the **Biomedical Advanced Research and Development Authority (BARDA)**. While no timeline for the wind-down was provided, the decision affects 22 projects valued at approximately US$500 million collectively. Additionally, no new mRNA projects will be started. The cancellation also ends the contract for **Moderna's** bird flu vaccine candidate.
- **Takeda Pharmaceuticals** announced that its Japan manufacturing and supply organization has deployed an AI-driven demand forecasting model to optimize domestic production planning and inventory management. The initiative – one of the first of its kind in Japan's pharmaceutical sector – is designed to not only strengthen the supply reliability but also to reduce pharmaceutical waste and improve cash flow, delivering both environmental and economic benefits.
- **BlinkRx** unveiled a new program to assist pharmaceutical manufacturers in setting up direct distribution channels. Several pharmas currently use BlinkRx's online pharmacy services to fulfill prescriptions for certain meds at "the lowest network price" according to the company. Among those listed as partners are **Bayer** and **Hikma**. Their new program *"Operation Access Now"* will allow drugmakers to launch direct-to-patient sales of their products within 21 days.

(Sources: Company Press Releases, Drug Store News, FiercePharma, PharmaVoice, Pharma Japan and World Pharma News)