

Lilly Study Finds Zepbound Offsets Costs Under Medicare Bridge Program

(Source: An article by Alaric DeArment for Scrip)

A new study from Eli Lilly suggests that treatment with *Zepbound* (*tirzepatide*) may generate enough reductions in other healthcare costs to offset the drug's cost for adults participating in the *Medicare GLP-1 Bridge Program*. The study found that lower rates of hospitalizations and emergency department visits among adults over age 55 taking *Zepbound* produced healthcare cost savings that increased over time, ultimately exceeding the program's US\$195 monthly treatment cost.

Published August 24 in *Diabetes, Obesity and Metabolism*, the study analyzed real-world data from November 2022 through September 2025 using the *U.S. Komodo Research Dataset*. Researchers examined adults over age 55 with obesity or overweight and at least one weight-related comorbidity, excluding individuals with type 2 diabetes. The 15,843 patients who initiated *tirzepatide* for weight management were compared with an equally sized cohort of individuals who were not receiving incretin-based therapies.

Using a "difference in differences" analysis, researchers estimated that *Zepbound* users experienced US\$145 in monthly healthcare cost offsets during the first six to 12 months, increasing to US\$319 per month during months 12-18. The analysis focused on healthcare costs excluding *Zepbound* itself. In addition to fewer hospital admissions and emergency department visits, *Zepbound* users had more routine outpatient and office visits, which researchers said was consistent with greater engagement in routine care. By the 12-month mark, estimated savings exceeded the drug's US\$195 monthly cost under the Medicare Bridge program.

The findings could have broader implications as Medicare and other payers consider expanding coverage of GLP-1 medications for obesity. Lilly emphasized the importance of real-world evidence in evaluating the broader impact of treating obesity, which is associated with numerous downstream diseases. The study concluded that *tirzepatide* may generate near-term savings for an older population that remains on treatment.

However, the findings should be viewed within the study's limitations and context. The research was sponsored by Lilly, the manufacturer of *Zepbound*, and focused specifically on patients who remained on therapy. The results therefore do not establish that every patient—or every GLP-1 therapy—will produce comparable savings. Nevertheless, the analysis adds to the growing body of evidence examining GLP-1 medications not simply as pharmaceutical expenses, but as potential investments capable of reducing downstream healthcare utilization.

Lilly reported US\$4.9 billion in *Zepbound* sales for the second quarter of 2026, a 46% increase, putting the drug ahead of Novo Nordisk's injectable *Wegovy*. The study strengthens the argument that the economic value of obesity treatment should be evaluated based on total healthcare costs over time, rather than the price of medication alone.

In Brief...

- ♦ **Teva** and **Viatri**s are relying increasingly on innovative medicines to drive long-term growth. For Teva, the company is expecting to launch a new first-in-class selective dopamine receptor antagonist, *ecopipam*, for pediatric patients with Tourette syndrome next year. The company announced on Aug. 19 that the **US Food and Drug Administration (FDA)** accepted its new drug application for *ecopipam*, with a targeted action date late in the first quarter of 2027. Viatri is preparing to launch two of what it calls "value-added" medicines, the newly approved low-dose *estrogen* patch *Gwyn Lo* and a fast-acting *meloxicam*, a new formulation of the non-steroidal anti-inflammatory, as an opioid alternative for the treatment of moderate-to-severe pain. The new drug application was filed under the 505(b)(2) pathway and is pending at the FDA with an action date of Dec. 27.

- ♦ **Johnson & Johnson (J&J)** is making changes through a restructuring of its supply chain for medicines, offloading

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Nine Pharma Companies Join Most-Favored Nation Initiative

(Source: An article by Andrew McConaghie for Scrip)

The Trump Administration has expanded its *Most Favored Nation (MFN)* drug-pricing initiative by reaching agreements with nine additional mid-sized pharmaceutical companies, including Alcon, Astellas Pharma, BeOne Medicines, BridgeBio, CSL, Kyowa Kirin, Sun Pharma, Teva Pharmaceuticals and UCB. The agreements bring the total number of participating companies to 26 and, according to the White House, extend the policy's reach to approximately 89% of the U.S. branded pharmaceutical market. President Trump said agreements covering the remaining 11% are expected "very soon."

While the administration has provided few details, the new agreements appear to differ from the four-part commitments secured from 17 larger pharmaceutical companies. Notably, the

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Japan Healthcare Spending Hits Record High

(Source: A staff article for Pharma Japan)

Japan's healthcare spending reached a record 49.2 trillion yen (US\$319.7 billion) in fiscal year 2025, increasing 2.6% from the previous year and marking the fifth consecutive annual increase, according to the Ministry of Health, Labor and Welfare. The pace of growth accelerated after three years of slower increases, with the country's aging population and advances in medical care identified as key drivers. The ministry also pointed to the growing use of expensive medicines, including cancer treatments, as a contributing factor.

The spending estimate encompasses healthcare costs financed through public health insurance and government spending, as well as patients' out-of-pocket payments. It represents approximately 98% of national medical care expenditures, although it excludes certain costs, including workers' compensation and fully self-funded cosmetic care.

Spending increased across several major categories. Inpatient care rose 2.3% to 19.6 trillion yen (US\$127.3 billion), while outpatient care and home visits increased 1.6% to 16.5 trillion yen (US\$107.2 billion). Dental spending grew 3.5% to 3.5 trillion yen (US\$22.7 billion), and drug dispensing increased 3.9% to 8.8 trillion yen (US\$57.2 billion), making pharmaceuticals one of the faster-growing components of overall healthcare expenditures.

The impact of Japan's aging population is particularly striking when spending is examined on a per-person basis. Per capita healthcare spending increased 3.1% to approximately 400,000 yen (US\$2599.34). Among individuals covered by public health insurance, however, spending for those 75 and older reached 989,000 yen (US\$6426.86) per person—nearly four times the 261,000 yen (US\$1696.07) spent for people under age 75.

Bottom line: Japan's record healthcare expenditures highlight the significant financial pressures created by population aging, increasing utilization of medical services and the introduction and adoption of costly treatments. The sharp disparity in healthcare spending between older and younger populations also underscores the sustainability challenges facing Japan's publicly financed healthcare system—challenges that are likely to become increasingly relevant for other aging developed nations.

Nine Companies (cont'd.)...

companies do not appear to have agreed to participate in direct-to-consumer programs promoted through *TrumpRx*. Instead, the nine companies agreed to provide products to Medicaid at MFN prices, apparently through the administration's GENEROUS pricing demonstration, and to guarantee MFN pricing for "all new innovative medicines." Collectively, they also committed to at least US\$19.6 billion in near-term U.S. manufacturing investment.

The agreements also appear to provide companies with protection from potential future pricing mandates under the GLOBE and GUARD MFN demonstrations for Medicare Parts B and D, as well as exemptions from certain pharmaceutical tariffs, in exchange for domestic investment. For example, CSL plans to invest US\$1.5 billion in expanded manufacturing in Kankakee, Illinois, while BeOne has committed US\$300 million to its Hopewell, New Jersey facility. UCB highlighted a previously announced US\$2 billion investment in a new biologics manufacturing facility in Georgia.

A further component of the agreements involves strengthening domestic pharmaceutical supply security. Four companies—UCB, Sun Pharma, Teva and Astellas—will donate active pharmaceutical ingredients to the U.S. Strategic Active Pharmaceutical Ingredients Reserve, including medicines used to treat seizures, infections, hypertension and prevent organ rejection following transplantation.

The administration estimates the broader MFN initiative could generate US\$600 billion in savings over the next decade, although the article notes that the estimate is difficult to assess because many agreement details remain confidential. The durability of the voluntary agreements is also uncertain, particularly because they could lapse when the current Administration leaves office.

The expansion marks a significant broadening of the administration's drug-pricing strategy, while linking price concessions to Medicaid, domestic manufacturing, tariff relief and pharmaceutical supply-chain security. However, the limited public disclosure of the agreements—and questions surrounding their long-term durability—leave important details about their ultimate impact unresolved.

In Brief (cont.)

certain sites as part of an effort to streamline operations. The changes were announced during the company's Q2 earnings release, follow last year's US\$55 billion initiative to make all of J&J's advanced medicines used in the U.S. domestically. Part of that investment includes a recent US\$1 billion commitment to scale U.S. manufacturing for vision products, packaging and distribution capabilities. The new changes will cost up to an estimated US\$750 million and are expected to be largely completed by the end of fiscal year 2029, according to the company.

- ◆ Software giant **Oracle** is upgrading its artificial intelligence-powered clinical agent to help clinicians document faster, streamline professional fee coding and surface relevant patient context. **Oracle Health's** clinical AI agent, health systems can now deploy AI-assisted workflows for professional fee coding, with workflows reviewed and confirmed by clinicians before submission. AI-powered chart review is another new capability, as AI-assisted workflows will surface relevant clinical context across health records and summarize patient information.

- ◆ **Marubeni Pharmaceuticals** announced that it has established a wholly-owned subsidiary in Hong Kong to handle import, sales and marketing of pharmaceutical products in the territory. The new unit, **Marubeni Pharmaceuticals Hong Kong Limited**, will seek to expand the company's business in the Hong Kong market by strengthening collaboration with local sales partners and launching new products.

- ◆ **Ildong Pharmaceutical** has signed a distribution and co-promotion agreement with **Pfizer Korea** for the Nurtec orally disintegrating tablets (ODT), a novel migraine treatment containing *rimegepant*. Under the agreement, Ildong Pharmaceutical will handle distribution of Nurtec ODT in Korea, while the two companies will begin joint promotional activities this month. The companies plan to strengthen product information activities for healthcare professionals and improve the treatment environment for patients with migraine in Korea through the partnership.

(Sources: BioSpace, Company Press Releases, Drug Store News, Fierce Pharma, and Pharma Japan)