

PNC PHARMA & LIFE SCIENCES

Monthly News Brief

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[Pharmacy Benefit Manager Reform Fails to Make the Cut in Federal Funding Package](#) (CNN)

Efforts to overhaul the Pharmacy Benefit Manager (PBM) industry were cut from the final federal funding package. The cuts included the slate of measures that would have injected more transparency into the industry and would have changed some of its practices. The now-dead funding deal would have required PBMs to provide more information on the rebates they negotiate and retain, as well as what they pay for drugs and how much they compensate pharmacies. President-Elect Trump said “The Horrible middleman that makes more money frankly than the drug companies, and they don’t do anything except they’re a middleman. We’re going to knock out the middleman”

[How Trump’s Second Term Will Affect the MedTech Industry](#) (MedTech Dive)

All of healthcare will be affected in some way by Trump’s second presidential term. However, the effect on the medical device industry specifically may be a little more nuanced than that of providers and pharmaceutical companies, which face several more high-profile issues. The Trump administration is expected to be more lenient toward companies looking to create value through M&A which is considered the lifeblood of MedTech, compared with the Biden administration, which has been “a little bit more aggressive.” Analysts believe there are three factors that could challenge companies in the coming years: tariffs when importing from China, retaliatory tariffs for shipping products into China, and increased tariffs in other jurisdictions outside of the U.S., where many medical device companies have manufacturing operations

[Medical Device Recalls Under the Spotlight in 2024](#) (MedTech Dive)

MedTech regulators and watchdogs took a closer look at recalls in 2024. At the start of the year, the U.S. Government Accountability Office said it would look at the agency’s recall process, following Philips’ recall of more than 15 million respiratory devices. More recently, the FDA has taken actions to speed up public notices about recalls that it believes could be high risk

[Zepbound, Mounjaro Shortages are Resolved, FDA Confirms](#) (BioPharma Dive)

The FDA reaffirmed its assessment that Mounjaro and Zepbound, popular drugs for diabetes and obesity, are no longer in shortage. The agency’s decision will largely prevent compounding pharmacies from making off-brand copies of the drug, closing a lucrative market niche that had opened as Eli Lilly, the drug’s maker, found itself unable to meet skyrocketing demand. The FDA is providing a grace period to compound pharmacies through early 2025 to avoid unnecessary disruption to patient treatment

[What’s Behind Pharma’s Growth Boost?](#) (BioPharma Dive)

Pharma is a long game, the first thing to note is an increased growth rate of 7.7% from 2023-2023Q3 – taking worldwide prescription drug sales to \$1.7 trillion. Obesity drugs such as GLP-1 are key drivers as forecasts have the obesity market hitting \$66B by 2030, and many analysts believe that the incretins could become biopharma’s first drug class to hit annual sales of \$100B. The next few months will also give players in the pharma market a better sense of the regulatory environment they’ll be operating in for the next four years, but the fundamentals of pharma remain strong

[Novo Holdings Completes Acquisition of Catalent](#) (Contract Pharma)

Novo Holdings has completed its previously announced acquisition of Catalent in a transaction valued at ~\$16.5B. Novo Holdings’ acquisition of Catalent will reshape the contract drugmaking sector by taking private one of the largest CDMOs and placing it under the banner of a company that also controls Novo Nordisk, the world’s second largest pharmaceutical company by value. Shortly after the completion of the acquisition Novo Nordisk will acquire three fill-finish sites from Catalent which will be utilized to fill injection pens for its rapidly growing semaglutide franchise

[Stryker, Zimmer Outline Different M&A Strategies](#) (MedTech Dive)

Stryker CEO told investors M&A will be the “number one use of our cash going forward,” while Zimmer Biomet CEO emphasized internal product development for growth. Stryker has bought seven companies for \$1.6B in 2024 and expects they will contribute \$300 million to its sales in 2025. Management mentioned they still have significant financial capacity for future deals having completed more than 50 deals in the last 10 years. Zimmer CEO said the company continues to evaluate potential acquisitions, but “there is not a single deal that has jumped on us as saying we have to reallocate capital and do this deal immediately”

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