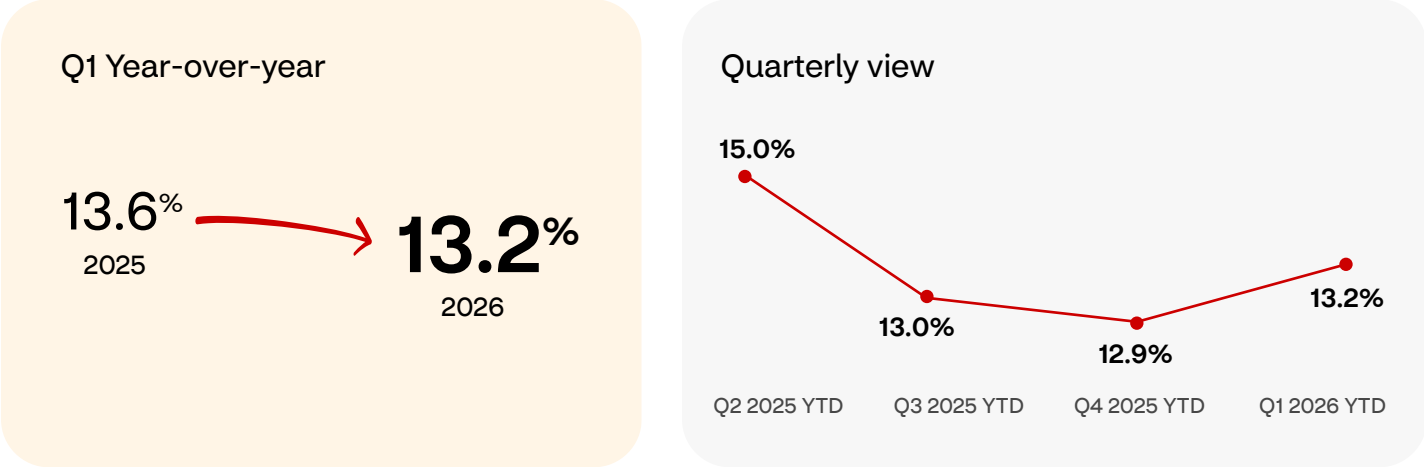


Pharmacy trend in Q1 2026: What’s behind the numbers

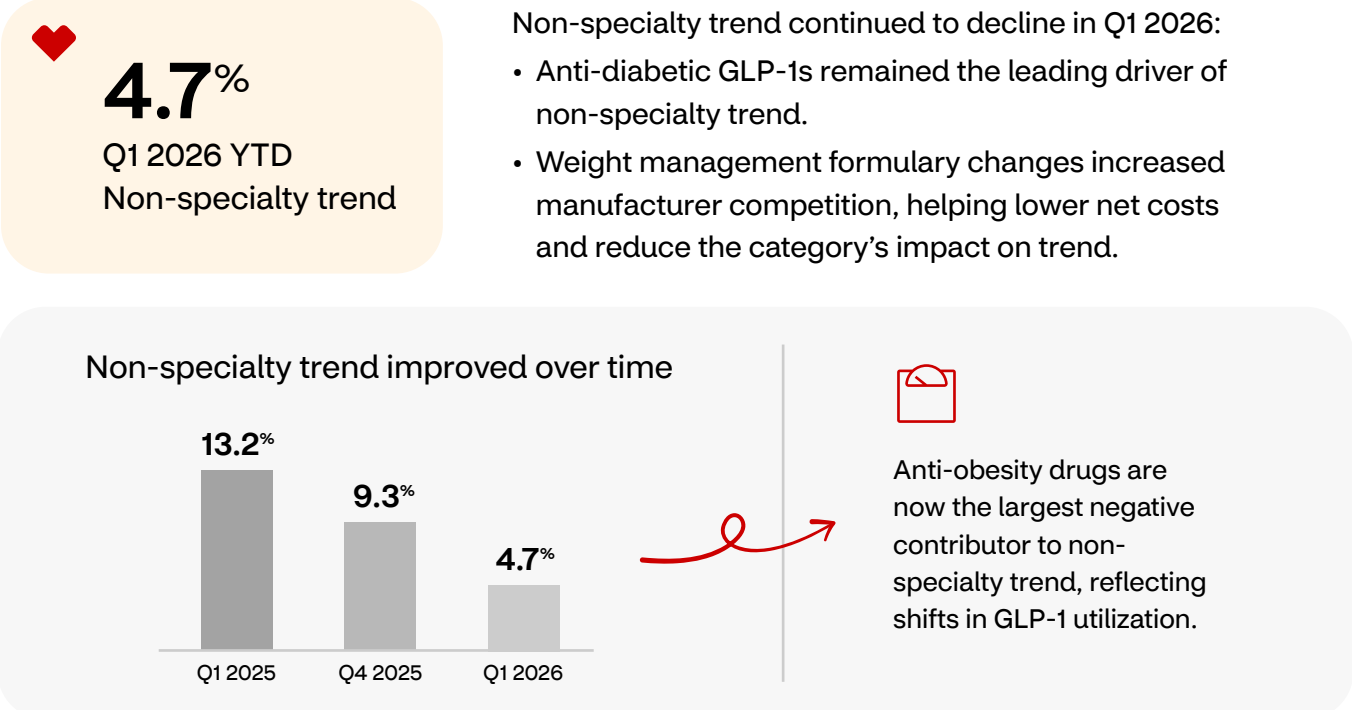


Overall trend

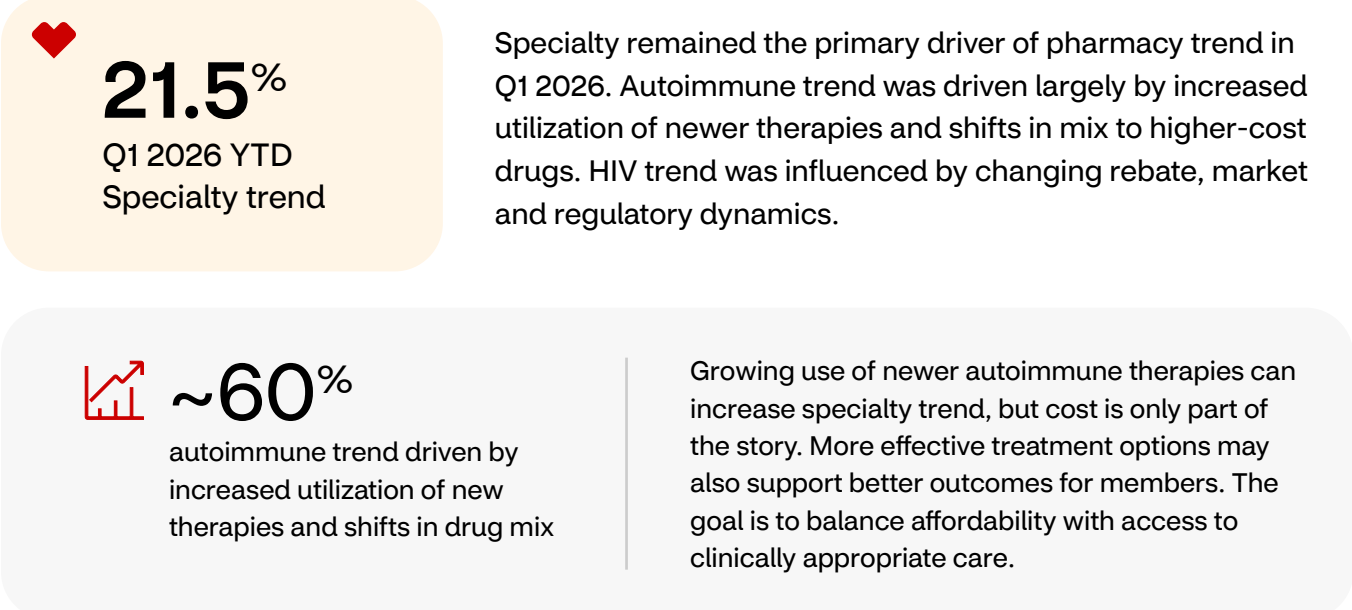


Overall pharmacy trend was stable in Q1 2026, but the forces behind the numbers continued to shift. Changing GLP-1 dynamics drove lower non-specialty trend, helping offset the specialty drug trend — which accounted for 55% of total drug costs. Early Q2 results show the pattern continuing.

Non-specialty trend: GLP-1 pressure continued to ease



Specialty trend: Costs continued to climb



TREND HIGHLIGHT

The bigger shift: Forces outside of the pharmacy benefit

Utilization and price still matter, but they no longer tell the full story. Policy changes, regulatory requirements, rebate shifts, manufacturer decisions and market competition increasingly influence what employers and health plans pay. Those forces can create pressure or relief. Two Q1 examples show how.

EXAMPLE 1

When flexibility is limited, costs can rise

HIV emerged as a leading specialty trend driver in Q1. Ongoing market impacts from regulatory guidance that expanded coverage requirements for certain preventive therapies, while limiting formulary and utilization management strategies, continued to influence plan sponsor costs. As a result, plan sponsors had fewer options to offset costs. Reduced rebates for Descovy and the launch of Yeztugo added more pressure and contributed to higher net costs in the category.

EXAMPLE 2

Policy changes can also reduce pressure

Policy changes tied to the Inflation Reduction Act influenced pricing dynamics in Q1 2026. List price reductions for Jardiance, Farxiga and Eliquis helped moderate list price growth, highlighting how policy decisions can affect market pricing.

Together, these examples show why pharmacy trend requires a broader lens. Net cost reflects more than just utilization and price or list cost. Competition, regulatory requirements and contracting dynamics all play a role.

What this means



Policy decisions can have unexpected cost impacts

Changes designed to improve access can also affect competition, pricing and cost-management flexibility.



Net cost gives a clearer view

List price rarely reflects what employers and health plans ultimately pay. Rebates, discounts, contracting strategies and formulary dynamics can all influence the true cost of pharmacy benefits.



Competition matters

Competitive market dynamics can help lower net costs. When competition is limited, so are opportunities to offset trend pressure.



Affordability and access require balance

Effective cost management can involve strategies that encourage clinically appropriate, lower-cost options while supporting member access to needed medications.

* Looking ahead: Navigating a dynamic market

- **Work with your account team to assess** how evolving market dynamics and **emerging therapies** may affect your pharmacy benefit strategy and identify formulary, utilization management and plan design approaches that can help balance cost, access and clinical outcomes.
- **List price is only part of the picture.** Rebates, discounts, guarantees and formulary strategies all influence what plans ultimately pay. Learn how **CVS Caremark TrueCost®**, is leading the market in evolving drug pricing.



- **Stay ahead of fast-moving market shifts**, such as the rise of direct-to-consumer GLP-1 options. Explore our **GLP-1 Insights Report** to see how they stack up against traditional coverage.
- **Stay close to policy and regulatory changes** that could affect pharmacy costs. Ask your CVS Caremark account team how to opt in to the Government Affairs Monthly Newsletter.
- **Support policies that help keep medications affordable and accessible.** Preserving competition and cost-management flexibility are crucial to managing pharmacy costs. **Learn why we’re calling on Gilead to lower the cost of Yeztugo.**



Talk with your CVS Caremark account team about how market and policy changes affect benefit strategy and opportunities to manage trend while maintaining access.