



# + The Road Ahead: Understanding Policy and Market Dynamics in a Shifting Life Sciences & Healthcare Environment

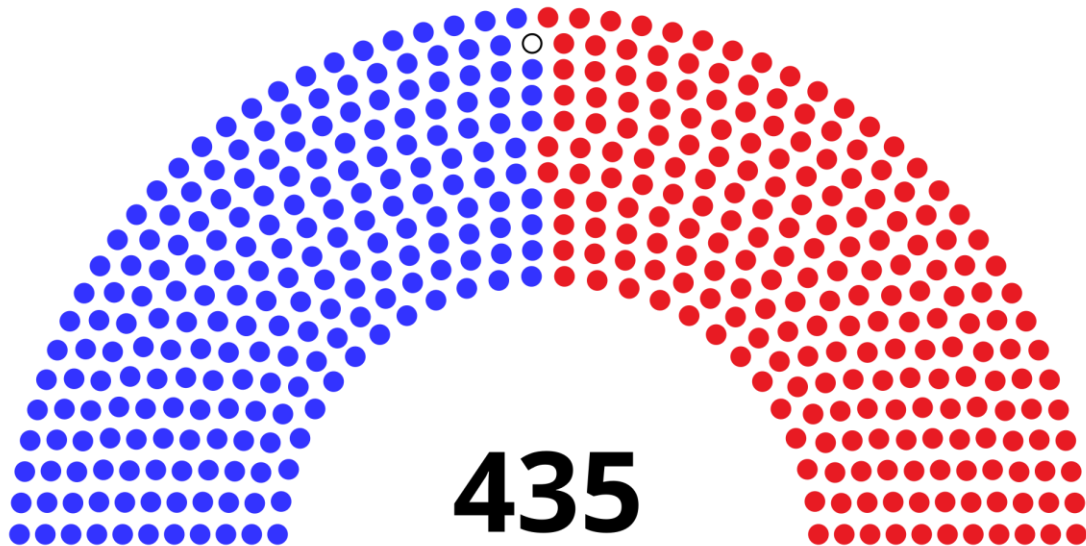


**Michael Strazzella**  
Healthcare Industry  
Group Co-Leader  
Federal Government  
Relations Co-Chair  
**Buchanan**

[Michael.Strazzella@bipc.com](mailto:Michael.Strazzella@bipc.com)

# + 119<sup>th</sup> Congress: House Party Breakdown

214 Democrats   217 Republicans  
+ 1 Independent

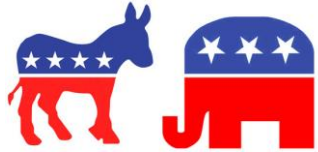


## 3 VACANCIES:

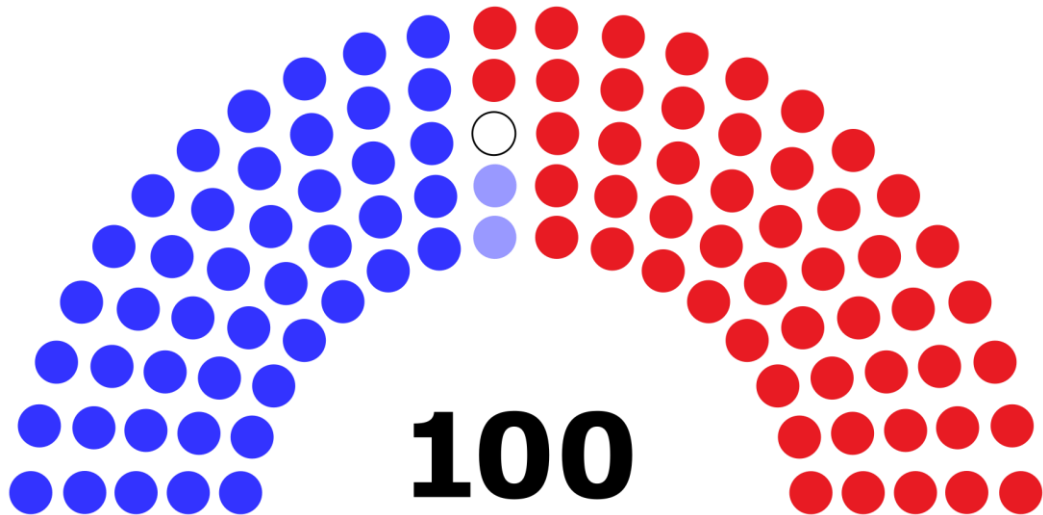
- Rep. Mikie Sherrill (D-NJ) resigned 11/20/2025.
  - *Special election:* April 16th
- Rep. Marjorie Taylor-Green (R-GA) resigned 01/05/2026.
  - *Special election:* April 7 - Runoff
- Rep. Doug LaMalfa (R-CA) died 01/06/2026.
  - *Special election:* June 2<sup>nd</sup> - General  
August 3rd - Runoff

# + 119th Congress: Senate Party Breakdown

45 Democrats  
(including 2  
Independents)



53 Republicans



- A total of 35 U.S. Senate seats will be up for reelection in the 2026 midterm election cycle
  - 33 regularly scheduled and 2 special elections in Ohio and Florida
  - Of the 35 seats up, approximately 23 are held by Republicans and 12 by Democrats

# Trumps' Presidential Cabinet



Vice President  
J.D. Vance



Chief of Staff  
Susie Wiles



Agriculture  
Brooke Rollins



Commerce  
Howard Lutnick



Defense  
Pete Hegseth



Education  
Linda McMahon



Energy  
Chris Wright



National  
Intelligence  
Tulsi Gabbard

Homeland Security



HUD  
Scott Turner



Interior  
Doug Burgum



AG -Justice  
Pam Bondi



SBA  
Kelly Loeffler



State  
Marco Rubio



Management and  
Budget  
Russell Vought



Treasury  
Scott Bessent



Veterans Affairs  
Doug A. Collins



CIA  
John Ratcliffe



EPA  
Lee Zeldin



Transportation  
Sean Duffy



United Nations  
Elise Stefanik



HHS  
RFK Jr.



CMS  
Mehmet Oz



FDA  
Marty Makary



Acting CDC  
Jay  
Bhattacharya



Trade Rep.  
Jamieson  
Greer



**Senate Majority Leader  
Sen. John Thune (R-SD)**



**Senate Minority Leader  
Sen. Charles E. Schumer (D-NY)**



**Finance Committee - Chairman  
Sen. Mike Crapo (R-ID)**



**Finance Committee - Ranking  
Sen. Ron Wyden (D-OR)**



**HELP Committee - Chairman  
Sen. Bill Cassidy (R-LA)**



**HELP Committee - Ranking  
Sen. Bernie Sanders (I-VT)**



**W&M Committee - Chairman  
Rep. Jason Smith (R-MO-8)**



**W&M Committee - Ranking  
Rep. Richard Neal (D-MA-1)**



**E&C Committee - Chairman  
Rep. Brett Guthrie (R-KY-2)**



**E&C Committee - Ranking  
Rep. Frank Pallone (D-NJ-6)**



**W&M Health Subcommittee - Chairman  
Rep. Vern Buchanan (R-FL-16)**



**W&M Health Subcommittee - Ranking  
Rep. Lloyd Doggett (D-TX-35)**



**E&C Health Subcommittee - Chairman  
Rep. Morgan Griffith (R-VA-09)**



**Health Subcommittee - Ranking  
Rep. Diana DeGette (D-CO-01)**

# + 2026 Mid-Term Elections

## What's on the ballot?

- **Republicans** will try to maintain their majority and full control of government.
- **Democrats** will try to reclaim a majority in the House and/or Senate.
- Republicans have a **217 (+1)-214** majority in the House. 18 seats are considered “toss-ups.”
- Republicans have a **53-45 (+2)** majority in the Senate. 35 Senate seats are up for re-election. 22 are Republican-held.
- Mid-term elections historically favor the party not in the White House.

# + Senate

- Dems need four seats to regain control, because VP JD Vance is the tiebreaking vote
- The map favors Republicans
  - Democrats are defending two seats in Trump states and five in single-digit Harris states
  - GOP is defending one Harris state and one single-digit Trump state
- **Four Key Competitive States:**
  - **Michigan** -- Rep. Haley Stevens (MI-11) and former Rep. Mike Rogers (MI-8) are leading contenders to take retiring Sen. Gary Peters' seat.
  - **North Carolina** – Gov. Roy Cooper and RNC chair Michael Watley will vie for retiring Sen. Thom Tillis' seat.
  - **Georgia** – Rep. Buddy Carter (GA-1) is the Republican primary front-runner to take on Sen. Jon Ossoff, who flipped the seat in 2020.
  - **Maine** – Sen. Susan Collins is a perennial Democratic target, representing a blue state since 1997.
  - Sleeper states: Montana, Alaska, Texas

# + House

- **Generic Ballot: D+4.4** (3.8.26) (RealClear Polling)
- **Eighteen “Toss Up” Districts (Cook Political Report)**
  - **4 Dem-Held Districts:** OH-1 Landsman, OH-9 Kapture, TX-34 Gonzalez, WA-3 Perez
  - **14 GOP-Held Districts:** AZ (2), CA (2), CO (1), IA (2), MI , NJ, NY, PA (2), VA, WI
- **375 “Solid” Districts (Cook Political Report)**
  - **186 “Solid” Republican**
  - **189 “Solid” Democrat**

# + CMMI – GUARD Model (Medicare Part D)

## ■ Overview

- CMS proposes the **Guarding U.S. Medicare Against Rising Drug Costs (GUARD)** Model through CMMI
- Mandatory payment model for **Medicare Part D**
- Model period: **2027–2033** (rebate reconciliation through **2035**)

## ■ Policy Design

- Recalibrates **inflation rebate calculations** using **international reference pricing**
- Applies to **selected single-source brand-name drugs and biologics**
- Therapeutic areas include oncology; cardiovascular disease; mental health; antivirals; diabetes care
- Key exclusions include generics and biosimilars; low-spending drugs; drugs already subject to **Maximum Fair Prices** under IRA negotiations

## ■ Manufacturer Obligations

- Additional rebates owed when **Medicare net prices exceed international benchmarks**
- Benchmarks derived from **19 economically comparable countries**
- Default benchmark: **lowest GDP-adjusted average international price**
- Optional alternative: manufacturer-submitted, verified international net price data
- Participation is **mandatory** for manufacturers with Part D inflation rebate reports covering eligible drugs

## ■ Estimated Impact

- CMS projects **\$14.1 billion in federal drug spending reductions** over six years

# + CMMI – GLOBE Model (Medicare Part B)

## ■ Overview

- CMS proposes the **Global Benchmark for Efficient Drug Pricing (GLOBE)** Model
- Mandatory payment model for **Medicare Part B drugs**
- Implementation begins **October 1, 2026**
- GUARD and GLOBE together represent a **significant expansion of international reference pricing**
- Builds on, but extends beyond, the **Inflation Reduction Act's inflation rebate framework**

## ■ Estimated Impact

- CMS estimates **nearly \$12 billion in Medicare savings**

## ■ Policy Design

- Applies **international reference pricing** methodology to Part B drugs
- Uses similar benchmarking principles as the GUARD Model
- Expands international price comparison beyond existing inflation rebate mechanisms

## ■ Next Steps

- **Public comment deadline: February 23, 2026**

# + CMMI – Medicaid **GENEROUS** Model

## ■ Overview

- CMS plans to launch the **GENErating cost Reductions for U.S. Medicaid (GENEROUS)** Model through CMMI
- **Voluntary** payment model for Medicaid
- Model start: **2026**
- Scheduled to run through **2030**, with rebates applied **retroactively** to the start date

## ■ Policy Design

- Allows participating manufacturers to offer **supplemental rebates** to participating states
- Seeks to align **Medicaid net drug prices** with prices paid in **select foreign markets**
- Participation decisions required from both **states and manufacturers**

## ■ Operational Considerations

- States must decide whether to participate **before final MFN prices are known**
- Requires coordination of:
  - State Plan Amendments (SPAs)
  - New supplemental rebate agreements

## ■ Implementation Challenges Identified by Experts

- **Compressed implementation timelines**
- Uncertainty surrounding **retroactive rebate calculations and payments**
- Potential for **significant back-dated rebate liabilities** for manufacturers that opt in

# + MFN Pricing Deals

## ■ MFN Pricing Agreements

- In **December**, the Trump administration expanded its **Most Favored Nation (MFN)** drug pricing initiative
- Added **nine additional manufacturers**, including: Amgen; Bristol Myers Squibb; GSK; Merck; Novartis; Sanofi
- Participating companies commit to:
  - Pricing most **Medicaid drugs at MFN levels**
  - Launching **future products at MFN prices** across:
    - Medicaid
    - Medicare
    - Commercial markets
    - Direct-to-consumer channels

## ■ National Security and Manufacturing Provisions

- Agreements include requirements for manufacturers to:
  - Contribute **active pharmaceutical ingredients (APIs)** to a federal **Strategic API Reserve**
  - Manufacture **finished drug products during declared emergencies**
- In exchange, participating companies receive:
  - **Tariff exemptions**
  - Other trade-related assurances
- Framework links **drug pricing commitments** with **domestic manufacturing and supply chain resilience**

# + Trump Rx Direct-to-Consumer Drug Platform

- Designed as a **direct-to-consumer (DTC)** drug pricing and purchasing platform
- Focuses on **outpatient, pharmacy-dispensed medications**
- Intended to provide an **alternative purchasing channel** for patients facing **high out-of-pocket costs**
- Positions the federal government as a **facilitator of lower-priced drug access**, outside traditional payer structures
- Pricing framework aligned with **Most Favored Nation (MFN)** principles

# + Domestic Manufacturing and Tariff Proposals

- **Congressional Activity**
  - At a recent **Senate Special Committee on Aging** hearing, generic drug industry witnesses urged federal agencies to consider **Section 232 tariffs** on foreign-made drugs and active pharmaceutical ingredients (APIs)
  - Tariffs framed as a potential tool to **incentivize domestic pharmaceutical manufacturing**
- **Policy Proposals Discussed**
  - **Tariff-rate quotas** allowing limited duty-free imports while discouraging market saturation by low-cost foreign producers
  - Reforms to:
    - Federal **procurement policies**
    - **Manufacturing incentives** aimed at supporting U.S.-based production
- **Key Issues Raised**
  - Disparities between **domestic and foreign FDA inspection standards**
  - Committee leadership expressed **divergent views**:
    - Some members emphasized tariffs as a reshoring mechanism
    - Others warned of potential **drug shortages and patient access risks**

# + API Supply Chain and China Exposure

- **Supply Chain Dependence**
  - The **U.S.-China Economic and Security Review Commission's** annual report highlighted significant U.S. reliance on Chinese pharmaceutical supply chains
  - Estimates indicate **nearly one-quarter of U.S. generic drugs** contain APIs sourced from **China**
- **National Security Implications**
  - Report warns that API supply disruptions could pose risks to:
    - **Public health security**
    - **Military readiness**
  - Reinforces congressional focus on pharmaceutical supply chain resilience
- **Legislative Developments**
  - **Bipartisan provisions** addressing China-related biotechnology and investment risks were included in the negotiated **National Defense Authorization Act (NDAA)**
  - Measures would:
    - Restrict certain Chinese biotech firms from **federal contracts**
    - Authorize enhanced oversight of **U.S. investments in China**

# + Trump's Approach to Lowering U.S. Drug Prices

- **Voluntary Pressure on Pharmaceutical Companies:**
  - President Trump sent letters demanding that companies lower U.S. drug prices to match those in affluent countries.
  - Pfizer has responded by adjusting pricing strategies.
- **Potential Regulatory Actions:**
  - The White House is reviewing regulations to enforce global benchmark pricing for drugs.
  - Plans to impose a **100%** tariff on branded drugs from October 1 unless their makers are investing in America – delayed to see industry response.
- **Regulatory Developments:**
  - The Centers for Medicare and Medicaid Services (CMS) is reviewing a proposal to set drug prices based on a “global benchmark.”
- **Policy Goals:**
  - Extend most-favored nation (MFN) pricing to all Medicaid drugs and new drug launches.
  - Implement direct-to-consumer pricing programs for certain medications.

# + Senate Aging Committee – Agenda



## 1. EXAMINE DRUG SUPPLY



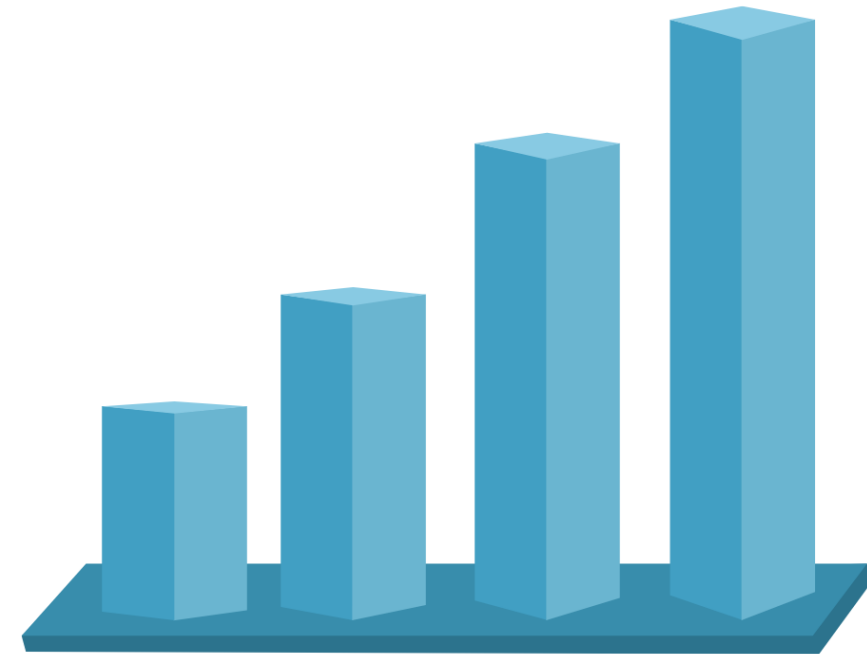
## 2. SAFETY



## 3. WORKFORCE

# + Senate Aging Committee – Statistics

- In 2021, a federal study found that **88.6%** of older Americans surveyed reported having been prescribed at least one medication in the past 12 months.
- **91%** of prescriptions filled are for generic drugs.
- The U.S. currently depends on overseas manufacturers for about **75%** of its essential drug supply.
- Over **40%** of generic drugs sold in the U.S. have just one FDA-approved manufacturer.



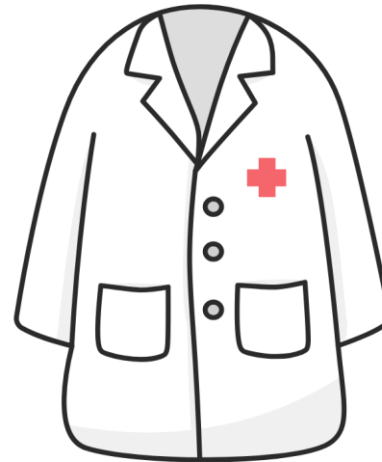
# + Outstanding Health Care Issues



**340 B**



**PBM Reform**



**DOC Pay**



**Site Neutral Payments**

# + PBM REFORM

## ***Consolidated Appropriations Act, 2026 (includes PMB Reforms)***

- Delink PBM Medicare Part D compensation from their list price to disincentivize PBMs from promoting higher-priced medications;
- Increase PBM reporting requirements to Medicare Part D plan sponsors and to the U.S. Department of Health and Human Services (HHS) and empower Part D plan sponsors to audit their PBM for compliance with contract requirements;
- Pass through rebates and discounts – changes definition of “covered service provider”, now covered by ERISA
- Increases reporting/transparency requirements



# Industry Consolidation

## Vertical Business Relationships Within the U.S. Drug Channel, 2025

	BlueCross BlueShield	THE CIGNA GROUP	CENTENE Corporation	CVS Health.	Humana.	UNITEDHEALTH GROUP*
<b>Insurer</b>	BlueCross BlueShield	cigna healthcare™	Medicaid wellcare™ ambetter.	aetna	Anthem Wellpoint	Humana. United Healthcare
<b>PBM</b>	Prime THERAPEUTICS™ <sup>1</sup>	Express Scripts By EVERNORTH	CENTENE PHARMACY SERVICES <sup>5</sup>	CVS caremark™	carelon <sup>6</sup> Rx	Humana Pharmacy Solutions. Optum Rx®
<b>GPO</b>	synergie medication collective <sup>2</sup>	Ascent Health Services	—	zinc HEALTH SERVICES	synergie medication collective <sup>2</sup>	— EMISAR
<b>Manufacturer</b>	—	Quallent Pharmaceuticals®	—	cordavis™	—	— nuvaila™
<b>Wholesale distribution</b>	—	CuraScript SD By EVERNORTH	—	—	—	— Optum Frontier Therapies
<b>Specialty/mail pharmacy</b>	Prime Therapeutics Pharmacy <sup>3</sup>	Accredo By EVERNORTH Freedom Fertility By EVERNORTH	AcariaHealth. Specialty Pharmacy	CVS specialty®	carelon Rx BioPlus Specialty Pharmacy A Carelon Company	CenterWell Specialty Pharmacy Optum Specialty Pharmacy
<b>Retail/LTC pharmacy</b>	—	—	—	CVS pharmacy Omnicare a CVS health company	—	— genOa healthcare® PHARMSCRIPT
<b>Provider</b>	—	EVERNORTH Care Group MDLIVE VillageMD <sup>4</sup>	Community Medical Group Magellan HEALTH.	CVS minute clinic signifyhealth. Oak St. Health	carelon Health carelon Behavioral Health	CenterWell Senior Primary Care CenterWell Home Health CONVIVA Senior Primary Care Optum

PBM = pharmacy benefit manager; GPO = group purchasing organization; LTC = long-term care

1. Prime Therapeutics sources formulary rebates from— and has a minority ownership interest in—Ascent Health Solutions, which is part of Cigna’s Evernorth segment.
2. Synergie is a buying group focused on medical benefit drugs. Its ownership includes the Blue Cross Blue Shield (BCBS) Association, Prime Therapeutics, Elevance Health, and other independent BCBS health plans.
3. Prime Therapeutics Pharmacy was previously known as Magellan Rx Pharmacy. Prime’s clients have the option to use Express Scripts for mail/specialty pharmacy services.
4. In 2022, Cigna invested \$2.7 billion for an estimated 14% ownership stake in VillageMD. In 2024, it wrote down the full value of this investment. Walgreens Boots Alliance owns a majority of VillageMD.
5. Centene began outsourcing its PBM operations to Express Scripts in 2024. In 2023, Centene rebranded its Envolv Pharmacy Solutions pharmacy benefit subsidiary as Centene Pharmacy Services.
6. CVS Caremark provides certain PBM services to CarelonRx business. CarelonRx also sources formulary rebates from—and has a minority interest in—Zinc Health Services, which is a subsidiary of CVS Health.

Source: [The 2025 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers](#), Exhibit 261. Exhibit does not illustrate every subsidiary business operated by each company.

# + Refresher on the 340B Program

- Administered by the Health Resources and Services Administration (HRSA).
- Allows qualifying hospitals and clinics (“Covered Entities”) that serve low-income and uninsured patients to purchase certain outpatient prescription drugs at steep discounts from drug manufacturers.
- To qualify, providers must either be federal grantees or fall into one of six designated hospital types. Approximately 80% of providers qualify due to their designation as Disproportionate Share Hospitals (“DSH”).<sup>1</sup>
- Drug manufacturers are required to participate in the 340B Program as a condition for Medicaid coverage of their drugs, making it effectively mandatory.

The 340B Program has experienced tremendous growth, severely outpacing the pharmaceutical market.<sup>2</sup>

**122%**

*Growth in 340B sales over the last 5 years, relative to 38% growth in gross drug sales*

**59%**

*The average discount off-list price for drugs purchased through the program in 2023*

1. Adam J. Fein, *The 340B Contract Pharmacy Market in 2025: Big Chains and PBMs Tighten Their Grip*, DRUG CHANNELS (June 10, 2025), <https://www.drugchannels.net/2025/06/340b-contract-pharmacy-market-in-2025.html>.

# + 340B

- U.S. House Energy and Commerce Chairman, Brett Guthrie (R-KY), announced 340B reform as a ‘2026 priorities.’
- Bills to protect and reform have been introduced
- Federal judge temporarily blocks HRSA’s 340B Rebate Pilot Program
  - Slated to take effect January 1, 2026
  - The American Hospital Association and others sued to block the implementation
- HRSA approved 10 manufacturer rebate models to replace up-front 340B ceiling price discounts
  - In August 2024, Johnson & Johnson (“J&J”) proposed a rebate policy for Stelera and Xarelto purchased by disproportionate share hospitals (DSH). Several manufacturers then began announcing similar plans, including Eli Lilly.
  - HRSA notified Johnson & Johnson that this shift to a rebate-based policy would require approval by HHS, or else be in violation of the 340B statute. The manufacturer subsequently decided to halt implementation of its policy.
  - After J&J’s decision, at least five manufacturers sued HHS in the D.C. Federal Court, challenging the agency’s interpretation of the 340B statute to prevent manufacturers from implementing rebate models without HHS pre-approval. Plaintiffs argued that the 340B statute does not provide HRSA with this authority and that HRSA’s decision was arbitrary and capricious in treating these new rebating models differently from rebating under the ADAP.

# 340B \$81BN in 2024: HRSA Data

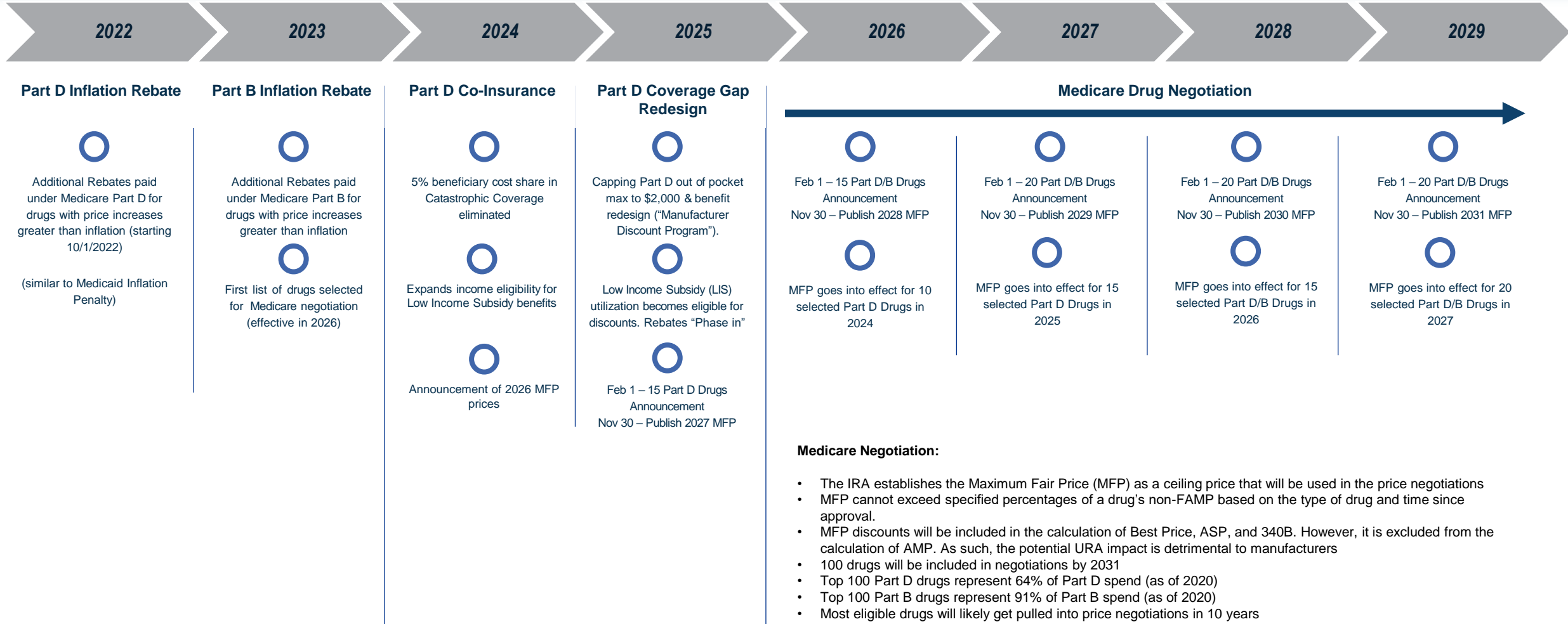
## 2024 340B Covered Entity Purchases

In calendar year 2024, 340B covered entities purchased \$81.4 billion in covered outpatient drugs under the 340B Program. The program enables safety-net providers to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services for the communities that they serve. The information below details the aggregate 340B purchases by covered entity type in 2024

Source: HRSA.GOV/OPA

Entity Type	2024 Total Purchases
Disproportionate Share Hospitals	\$64,132,662,185
Health Center Programs	\$4,743,978,490
Children's Hospitals	\$2,368,506,662
Rural Referral Centers	\$1,843,455,444
Ryan White HIV/AIDS Program Part A	\$1,580,603,870
Sexually Transmitted Disease Clinics	\$2,256,706,191
Critical Access Hospitals	\$1,185,097,145
Ryan White HIV/AIDS Program Part C	\$808,424,180
Sole Community Hospitals	\$549,703,626
Free-standing Cancer Centers	\$602,076,820
Ryan White HIV/AIDS Program Part B	\$358,309,538
Ryan White Part B AIDS Drug Assistance Program (ADAP) Direct Purchase Option	\$91,797,657
Comprehensive Hemophilia Treatment Centers	\$301,815,183
Federally Qualified Health Center Look-Alike Program	\$438,335,844
Family Planning Clinics	\$37,787,650
Ryan White HIV/AIDS Program Part D	\$36,720,113
Tribal Contract/Compact with IHS (P.L. 93-638)	\$87,047,661
Tuberculosis Clinics	\$9,101,397
Urban Indian Hospitals	\$ 3,355,735
Black Lung Clinics	\$1,739,165
Ryan White Part B ADAP Rebate Option	\$62
Native Hawaiian Health Care Programs	\$ 54,795

# Inflation Reduction Act: Legislation Overview and Timeline



# + IRA Drug List

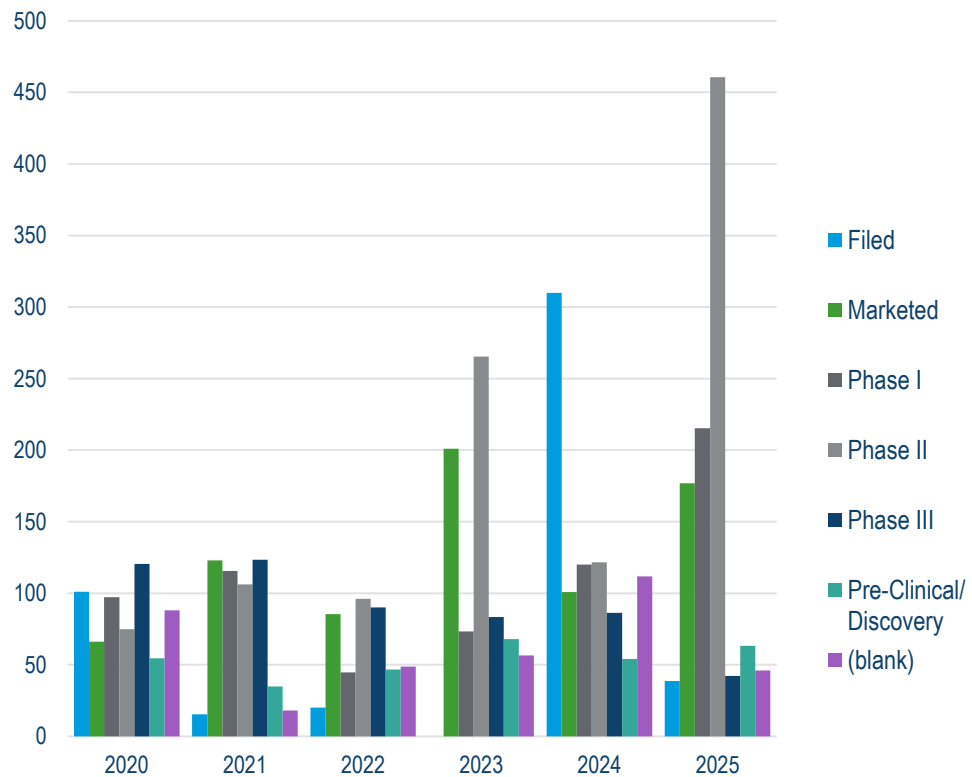
- Drug price negotiation – Amending the noninterference clause from the Social Security Act, allowing negotiation of Medicare Part B and D drugs.
- Drugs selected for price negotiations – Chosen based on total expenditures during the most recent 12-month period before their selection. Timeline:
  - 2026: 10 Part D drugs
  - 2027: 15 Part D drugs
  - 2028: 15 Part D or Part B drugs
  - 2029 or later: 20 Part D or Part B drugs
- Eligibility restrictions – Limited to small molecule drugs approved by the FDA for at least seven years without a generic available and biologics licensed for at least 11 years without a biosimilar available.
- There are penalties for noncompliance, including fines, excise taxes, and inflation rebates.
- CBO forecasting Medicare savings totaling ~ \$100 billion by 2030  
=/= actual impact to life sciences companies

Drug Name	Participating Drug Company	Commonly Treated Conditions	Agreed to Negotiated Price for 30-day Supply for CY 2027	List Price for 30-day Supply, CY 2024	Discount of Negotiated Price from 2024 List Price	Total Part D Gross Covered Prescription Drug Costs, CY 2024	Number of Medicare Part D Enrollees Who Used the Drug, CY 2024
Ozempic; Rybelsus; Wegovy	Novo Nordisk Inc.	Type 2 diabetes; Type 2 diabetes and cardiovascular disease; Cardiovascular disease and obesity/overweight	\$274	\$959	71%	\$15,161,908,000	2,282,000
Trelegy Ellipta	GlaxoSmithKline Intellectual Property Development Ltd. England	Asthma; Chronic obstructive pulmonary disease	\$175	\$654	73%	\$5,296,660,000	1,269,000
Xtandi	Astellas Pharma US, Inc.	Prostate cancer	\$7,004	\$13,480	48%	\$3,401,099,000	35,000
Pomalyst	Bristol-Myers Squibb Company	Kaposi sarcoma; Multiple myeloma	\$8,650	\$21,744	60%	\$2,150,644,000	14,000
Ofev	Boehringer Ingelheim Pharmaceuticals, Inc.	Idiopathic pulmonary fibrosis	\$6,350	\$12,622	50%	\$2,087,330,000	24,000
Ibrance	Pfizer Inc.	Breast cancer	\$7,871	\$15,741	50%	\$2,036,178,000	16,000
Linzess	AbbVie Inc.	Chronic idiopathic constipation; Irritable bowel syndrome with constipation	\$136	\$539	75%	\$1,982,587,000	632,000
Calquence	AstraZeneca UK Limited	Chronic lymphocytic leukemia/small lymphocytic lymphoma; Mantle cell lymphoma	\$8,600	\$14,228	40%	\$1,703,116,000	15,000
Austedo; Austedo XR	Teva Branded Pharmaceutical Products R&D LLC	Chorea in Huntington's disease; Tardive dyskinesia	\$4,093	\$6,623	38%	\$1,675,176,000	27,000
Breo Ellipta	GlaxoSmithKline Intellectual Property Development Ltd. England	Asthma; Chronic obstructive pulmonary disease	\$67	\$397	83%	\$1,428,106,000	626,000
Xifaxan	Salix Pharmaceuticals Inc.	Hepatic encephalopathy; Irritable bowel syndrome with diarrhea	\$1,000	\$2,696	63%	\$1,158,988,000	105,000
Vraylar	AbbVie Inc.	Bipolar I disorder; Major depressive disorder; Schizophrenia	\$770	\$1,376	44%	\$1,136,814,000	118,000
Tradjenta	Boehringer Ingelheim Pharmaceuticals, Inc.	Type 2 diabetes	\$78	\$488	84%	\$1,128,335,000	274,000
Janumet; Janumet XR	Merck Sharp & Dohme LLC	Type 2 diabetes	\$80	\$526	85%	\$1,067,594,000	239,000
Otezla; Otezla XR	Amgen Inc.	Oral ulcers in Behçet's Disease; Plaque psoriasis; Psoriatic arthritis	\$1,650	\$4,722	65%	\$1,045,443,000	31,000

# Licensing activity continues to evolve

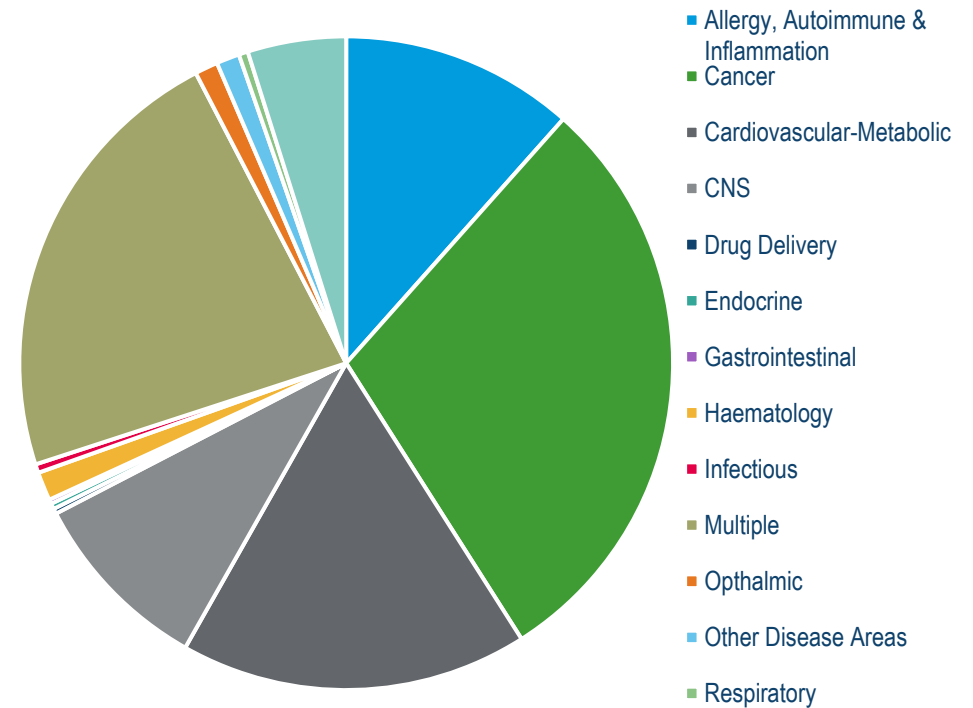


## Phase II trials receive higher mean upfront fees



## Cancer deals still make up major portion of licensing fees

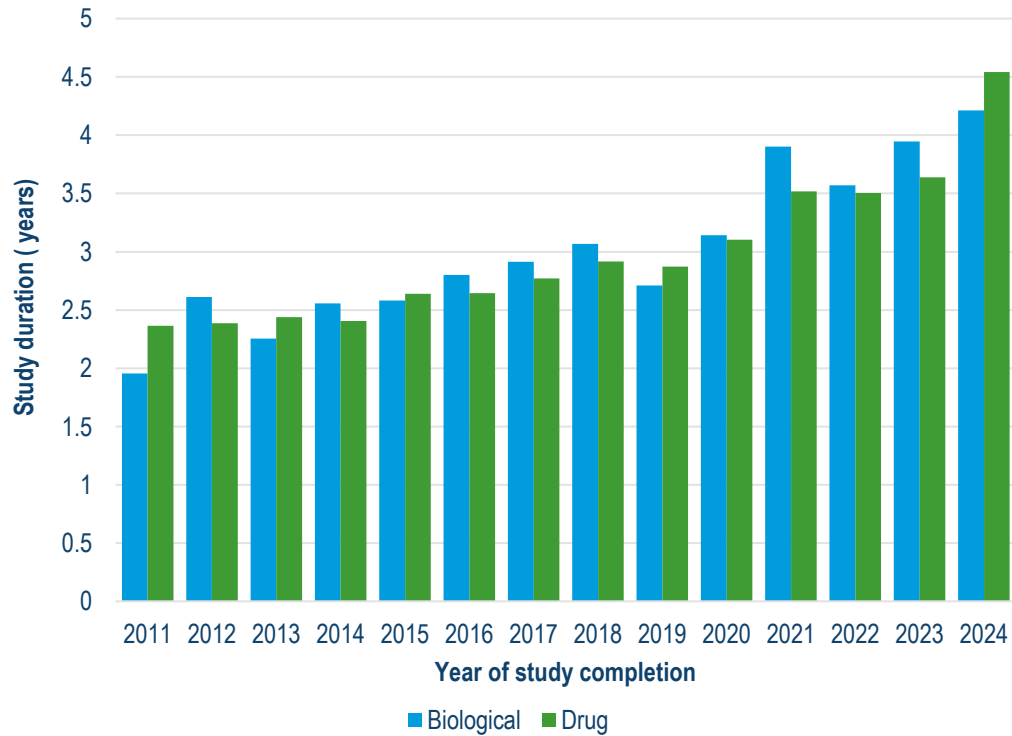
### Total deal value by therapy area



# Trial Length and Starts 2025

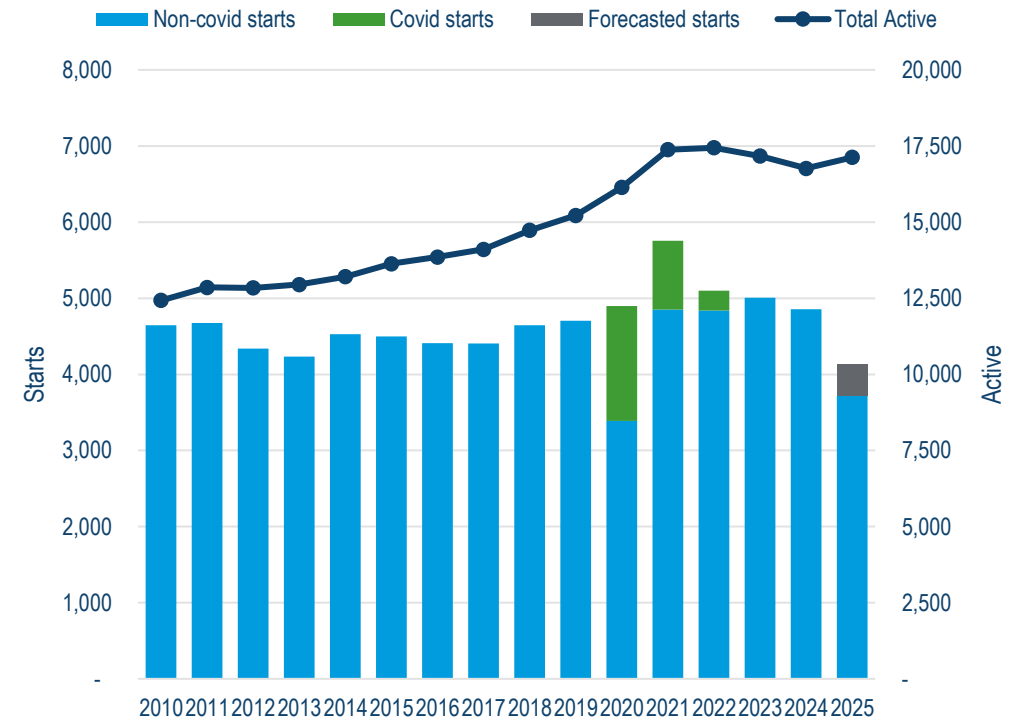
## Clinical trials continue to last longer

Average years to phase 3 study completion  
industry-funded; excludes COVID-19



## Fewer trial starts expected in 2025

Clinical trial study starts and active forecast  
count; industry-funded; interventional



Source: RSM US, FDA