

Summer 2025 Spend Management Outlook

Key talking points

Utilize the following key talking points to share the value of the *Spend Management Outlook (Outlook)* bi-annual forecast and insights to support Vizient clients with planning and budgeting across healthcare supply.

The *Spend Management Outlook* represents the best estimate of the change in the price of supply chain products and materials, capital and services as well as pharmaceuticals from Jan. 1, 2026 to Dec. 31, 2026.

The price of **pharmaceuticals is projected to increase by 3.35%** while the prices for **supply chain products and materials, capital and services are projected to increase 2.41%** on average.

The significance of the Spend Management Outlook

The launch of the Vizient *Spend Management Outlook* is significant as it is a comprehensive resource that integrates and expands on the predictive capabilities of Vizient's previous reports - *Budget Impact Projections* report and *Pharmacy Market Outlook*. This edition provides detailed insights to manage total expenses across multiple categories, highlighting Vizient's commitment to working as one team and offering a unified approach to total expense management.

Key takeaways by category

- **Medical and surgical products:** 2.58% projected inflation – driven largely by surgical supplies (3.28%). Top categories include IV pumps, tubing and solutions; custom procedure trays; and pulse oximetry
- **Laboratory:** Projected 1.68% inflation. Molecular technology dominates spend (34.6%), highlighting its growing importance in rapid infectious disease detection, precision oncology and complex diagnostics
- **Indirect spend and purchased services:** Inflation projected to be 3.34%, with spikes in IT services (5.50%) and office supplies and printing (5.50%)
- **Capital equipment:** Projected 2.08% inflation. Top spend is endoscopy equipment and accessories (16%) followed by ultrasound equipment (9.1%) and patient monitoring (7.8%). Mobile tech and Magnetic resonance-guided focused ultrasound (MRgFUS) show growing importance.
- **Pharmacy:** Inflation is projected at 3.35%. Several factors are contributing to this moderately predicted inflation:
 - Price reductions associated with the Inflation Reduction Act
 - Biosimilar competition for agents such as Humira and Stelara
 - Projected price decreases for high-use inpatient medications
- **Physician preference items (PPI):** 1.68% average inflation projected, with highest growth in surgical services (2.97%) and orthopedics (1.62%). Categories like neurostimulation and trauma implants are significant cost drivers

Other factors to expect in 2026

Industry leaders who are focused on advancing patient care and improving financial and operational efficiencies are focused on these topics.

- **Tariff pressures will intensify:** Broad-spectrum tariffs are expected to continue driving up costs across multiple supply categories.
- **Inpatient capacity remains strained:** Academic medical centers (AMCs) face pressure from high-acuity case growth and longer lengths of stay.
- **Continued shift to non-acute and ambulatory care:** Growth in ASCs and outpatient services is changing utilization patterns and spend priorities.
- **Rising drug demand for GLP-1 therapies:** Medications like tirzepatide and semaglutide are driving significant spend growth – tirzepatide spend rose 167% year-over-year (spend is a combination of price paid and utilization).
- **Payer integration and site-neutral payments:** These trends are compressing margins and altering reimbursement for pharmacy and procedural care.

Additional support for planning and budgeting

- **Drug Budget Forecast reporting solution** – Providers can access the Drug Budget Forecast Report to apply the projections to their unique purchasing patterns to develop their plan. This tool is available through Vizient Pharmacy Analytics, which is accessible through the Pharmacy Portal on their Dashboard.
- **Supply Analytics** – Supports cost reduction initiatives by providing price visibility, real-time market data and price benchmarking capability with product advisor support.
- **Capital Spend Insights** – This tool automates quote submission, tracking, and review, ensures GPO agreement compliance, and provides advanced benchmarking and real-time pricing data to enhance procurement efficiency and value.
- **Purchased Services Analytics Tool** – Helps hospitals analyze spend in detail, from service lines to individual vendors, to identify opportunities for cost savings, vendor standardization and service line optimization.
- **Procedural Analytics** – Gain insights into the drivers of supply costs, utilization and quality of care, and make data-backed decisions that drive positive outcomes.
- **Vizient Reserve** – Gain access to ***dedicated*** inventory combined with increased value and competitive pricing. Categories include pharmacy, contrast, respiratory and surgical blades and scalpels, IV fluids and more.
- **Capital Commit** – Focuses on creating a data driven aggregation and commitment purchasing strategy for organizations.
- **Achieve Committed** – Helps providers optimize value for the highest aggregate spend commitments in select medical-surgical categories.

For additional information

Visit PharmacyQuestions@vizientinc.com