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Methodology and projection accuracy for pharmacy pricing forecasts

These projections represent Vizient's best estimate of likely price behavior during the identified period. Because market conditions can shift quickly and forecasting inherently involves uncertainty, the projections should be used as a planning benchmark rather than a guarantee of realized cost changes.

Pharmaceuticals

- **Projection scope and data sources:** Projections are for purchases occurring between Jan. 1, 2027, and Dec. 31, 2027, based on price and volume from Vizient pharmacy program participants› purchases across hospital and ambulatory facilities. The product mix reflects aggregated participant purchasing and may differ from that of any individual facility. For comparability, figures are presented using generic names and therapeutic categories. The Drug Budget Forecast Report, available through the Pharmacy Analytics platform, can support facility-level analysis of detailed pharmacy purchases. Questions about access can be directed to pharmacyquestions@vizientinc.com.
- **Products included in analysis:** Products analyzed represent the top 85% of pharmaceutical purchases, based on dollars spent on a line-item basis through pharmacy-authorized distributors, by Vizient pharmacy program participants in hospital, non-acute and pediatric settings from April 1, 2025, through March 31, 2026. Purchases made through the 340B program were excluded. The analysis also excludes direct purchases.
- **Pricing approach in analysis:** Inflation estimates are informed by up to 36 months of price-change history, where available, contract allowances and marketplace factors such as patent expirations and expected competition. The analysis does not incorporate other market dynamics, such as raw material scarcity and finished goods shortages, due to limited availability of consistent data; Vizient continues to advocate for greater supply chain transparency across components contributing to finished dosage forms.
- **Outsourced compounding:** Purchases of sterile preparations from outsourced compounders can represent a sizable expense for many health systems but are not analyzed because they are not reported by authorized distributors. Facilities using outsourced compounding services should incorporate these purchases into budget planning.

Assessing projection accuracy: How close were our previous forecasts?

Vizient continuously reviews past pharmacy price projections against actual observed inflation, weighted by Vizient Pharmacy Program participant purchases, to assess forecast performance and refine future projections. Pharmacy projections have generally tracked actual pricing trends closely across recent Pharmacy Market Outlook editions, while reflecting some variation in the magnitude of inflation by forecast period.

The most recent complete validation period is the July 2024 Pharmacy Market Outlook projection for January through December 2025. For that period, Vizient projected a 3.3% weighted average drug price increase across the items in the top 85% of GPO spend, compared with actual observed inflation of 2.9%. This 0.4 percentage-point variance reflects close alignment between projected and actual pricing behavior despite ongoing market volatility, product-specific price changes, and evolving competitive dynamics.

Because the validation is weighted to aggregated program participant purchases and reflects price movement only, individual health system experience may vary based on utilization, product mix, contract participation, distribution channel, 340B eligibility, and direct-purchase activity. Health systems should use these projections as a planning benchmark while continuing to monitor local purchasing trends and anticipated therapy changes throughout the budget cycle.

Pharmacy projection accuracy compared with actual observed price changes

Report date	Projection period	Line items in top 85% of GPO spend	Projected price increase	Actual price increase
July 2022	Jan. 1–Dec. 31, 2023	1,082	3.3%	2.7%
January 2023	July 1, 2023–June 30, 2024	993	3.8%	2.1%
July 2023	Jan. 1–Dec. 31, 2024	984	3.4%	3.0%
January 2024	July 1, 2024–June 30, 2025	949	3.8%	3.2%
July 2024	Jan. 1–Dec. 31, 2025	956	3.3%	2.9%

Disclaimer: These estimates are subject to change based on future market conditions and many factors that influence pricing. Category data is compiled from primary and secondary sources that Vizient believes to be accurate to the best of its knowledge at the time of publication.

Price forecasts are provided for general planning purposes only. Budgeting also should consider changes in volume, product mix, new technology, products, and services. Use of this information is at the user's sole risk. This information is presented "as is" and without any warranty or guarantee, expressed or implied, as to completeness, accuracy, or future performance.