FOR IMMEDIATE RELEASE: November 09, 2026
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2026 Specialty Drug Survey Finds Specialty Medications Account for Nearly Half of Public Sector Pharmacy Spending

New report covering nearly 3.8 million Americans highlights rising prescription drug costs, expanded Medicare findings, and the need for policy solutions to support public sector health plans

WASHINGTON, D.C. — November 9, 2026 — Specialty medications account for nearly half of pharmacy benefit spending among responding public sector health plans, according to the newly released **2026 Specialty Drug Survey Report** from the **National Institute for Public Employee Health Care Policy** (Institute) and the **Public Sector HealthCare Roundtable** (Roundtable).

The findings, presented on **Friday, November 6, at the Public Sector HealthCare Roundtable Annual Conference at the Mayflower Hotel in Washington, D.C.**, underscore the growing financial pressures facing public sector employers as they balance rising prescription drug costs with their commitment to providing affordable, comprehensive health coverage to employees, retirees, and their families.

Now in its tenth year, the annual survey offers a unique national perspective on prescription drug spending, health care cost trends, and benefit management strategies among public sector purchasers. The 2026 report includes data from **19 public sector plan sponsors across 15 states, collectively covering nearly 3.8 million beneficiaries** and representing $22.9 billion in commercial health care spending during the 2025 reporting year.

For the first time, the report includes Medicare plan data alongside commercial plan findings, providing a more comprehensive picture of the cost pressures facing public sector purchasers across employee and retiree populations.

“Our member plans are constantly balancing the rising cost of prescription drugs with their commitment to providing comprehensive, affordable health benefits for public employees, retirees, and their families,” said **Tom Lussier, Administrator of the Public Sector**

HealthCare Roundtable. "Every year, they face increasingly difficult decisions about how to manage costs, protect taxpayer resources, and ensure members have access to the treatments they need. This survey reinforces what our members experience every day: despite employing innovative cost management strategies, they cannot address these growing pressures alone. We need policy solutions that give public sector purchasers the tools and flexibility to sustain high-quality coverage."

Specialty Drugs Continue to Drive Pharmacy Spending

The report finds that specialty medications account for **48.8% of commercial pharmacy spending and 45.6% of Medicare pharmacy spending** among responding plans, highlighting their outsized impact on overall pharmacy costs.

Additional key findings include:

- **Significant pharmacy expenditures:** Responding plans reported $6.1 billion in commercial pharmacy spending and $2.6 billion in Medicare pharmacy spending.
- **Extensive cost management efforts:** All responding commercial plans used targeted strategies to manage specialty drug costs, averaging 5.6 utilization management methods per organization.
- **Evolving benefit designs:** More than 88% of respondents modified their commercial pharmacy benefit designs within the past five years to address rising specialty drug costs.
- **GLP-1 coverage:** All respondents reported GLP-1 coverage in their commercial plans, but only 41.2% covered these medications for weight management. Among Medicare plans, 88.2% reported GLP-1 coverage.

The findings highlight the increasingly difficult decisions public sector purchasers face as they work to preserve access to innovative treatments while managing limited public resources.

Findings Reinforce Need for Broader Policy Solutions

Despite widespread adoption of cost management strategies, the report demonstrates that plan-level efforts alone cannot fully offset the market-wide pressures driving specialty drug spending.

The Roundtable identifies several policy priorities to help address these challenges, including greater prescription drug pricing transparency, pharmacy benefit manager reform, increased competition from generics and biosimilars, and expanded opportunities for value-based and outcomes-based contracting.

The report also emphasizes the importance of policies that recognize the unique structure of public sector health plans, particularly those providing Medicare coverage to retirees, and opportunities for public sector purchasers to participate in federal health care innovation initiatives.

A Decade of Research Informing Public Sector Health Policy

For ten years, the Specialty Drug Survey has helped fill a critical gap in national health care research by documenting the experiences of public sector purchasers, whose financial responsibilities and benefit structures are often overlooked in broader employer-sponsored health benefit studies.

The Institute joined forces with the Roundtable three years ago to support and expand this research, strengthening the survey's role as a resource for plan sponsors, policymakers, and industry stakeholders.

“The Institute was pleased to partner with the Public Sector HealthCare Roundtable three years ago to build upon this important research and strengthen the evidence available to public sector health care purchasers,” said **Marta Green, Executive Director of the National Institute for Public Employee Health Care Policy**. “By tracking spending trends, benefit strategies, and emerging cost pressures over time, we are providing data that helps plan sponsors make informed decisions and policymakers better understand the challenges facing public sector health plans. This year's addition of Medicare data is an important step forward, offering a more complete picture of the financial pressures affecting public employees, retirees, and the public programs that support them.”

The report provides valuable benchmarking information for public sector plan administrators while informing the Roundtable's federal policy priorities and efforts to ensure that the perspectives of public sector purchasers are represented in national health care policy discussions.

The full 2026 Specialty Drug Survey Report is available here.

About the National Institute for Public Employee Health Care Policy

The National Institute for Public Employee Health Care Policy (Institute) advances research, analysis, and educational resources to support public sector health care purchasers in providing affordable, comprehensive, high-quality health benefits. Through research and collaboration with public sector leaders and industry partners, the Institute informs policy discussions and strengthens decision-making on behalf of public employees, retirees, and their families.
https://healthcarepolicy-institute.org/

About the Public Sector HealthCare Roundtable

The Public Sector HealthCare Roundtable (Roundtable) brings together public sector health care purchasers to advance policies supporting affordable, sustainable, high-quality health coverage for public employees, retirees, and their dependents. Through collaboration, research, and federal policy engagement, the Roundtable amplifies the voice of public sector purchasers in national health care policy discussions. https://healthcareroundtable.us