Press Release

The Drug Compounding Policy Standoff

ALLIE WATSON | FEBRUARY 11, 2026

The regulation of drug compounding has recently reemerged as a prominent health policy issue. In a new insight, Director of Health Care Policy Michael Baker explains current drug compounding authority and demonstrates how compounded medications, including popular GLP-1 drugs, exposed stresses on the existing regulatory system.

Key points:

- *Traditionally, compounding serves a defined clinical purpose: preparing a medication tailored to a patient's needs when a Food and Drug Administration-approved product cannot be used as labeled – for example, when a patient needs an alternative dosage form, a different concentration, or the removal of an inactive ingredient that triggers intolerance.*
- *The skyrocketing popularity of GLP-1 medications has revealed how quickly "temporary relief" from the initial FDA-designated shortages can evolve into a parallel consumer market when coverage is uneven and affordability gaps are wide; extended shortages of high-demand injectable products created both the practical and legal predicate for large-scale production of "copy" compounded versions.*
- *The rapid acceleration of compound drug usage creates real compliance issues with existing laws and highlights the need for targeted reform focused on protecting access to appropriate drugs while reinforcing necessary guardrails.*

Read the analysis.