



Alliance for
Pharmacy
Compounding

A SNAPSHOT OF PHARMACY COMPOUNDING IN AMERICA

2025-2026

In 2025, the Alliance for Pharmacy Compounding — with support from Fagron, Medisca, and PCCA — commissioned the Center for Business Research at the University of Mary Washington to conduct a demographic survey of more than 16,500 pharmacy compounders across America. More than 600 responded to the survey. Based in large part on those responses, APC has created this snapshot of the pharmacy compounding profession.



WHAT IS PHARMACY COMPOUNDING?

In traditional compounding, a pharmacist creates a customized medication, most often from an active pharmaceutical ingredient, for an individual patient based on a prescription from a licensed provider. Pharmacists' ability to compound medications from pure ingredients is authorized in federal law and FDA guidance in two circumstances:

APPROPRIATENESS: Manufactured drugs don't come in strengths and dosage forms that are appropriate for everyone, and providers must be able to prescribe a customized medication when a commercially accessible FDA-approved drug does not come in a dosage form, strength, or combination the provider judges right for a particular patient.

ACCESSIBILITY: To assure continuity of patient care during a drug shortage, providers may prescribe a compounded copy of an FDA-approved drug when the FDA-approved drug appears on the FDA Drug Shortage list.

Compounded medications are also prepared by entities known as **outsourcing facilities**, or 503Bs. Unlike traditional pharmacies, outsourcing facilities must adhere to manufacturing standards, called Current Good Manufacturing Practices, which are much like those to which manufacturers of FDA-approved drugs must adhere. As a result, federal law allows outsourcing facilities to prepare much larger batches of compounded drugs and **distribute** them to hospitals. 503Bs may also distribute to clinics for administration by a physician or other provider without a patient-specific prescription.

That's an important distinction: Traditional compounding pharmacies **dispense** compounded drugs pursuant to a prescription. Outsourcing facilities **distribute** compounded drugs to healthcare facilities without need for a patient-specific prescription. Given the prevalence of drug shortages today, many American hospitals and clinics rely on compounded drugs prepared by outsourcing facilities to preserve the lives of patients they serve.

For generations, pharmacy compounders have filled a critical need in America's health care system – and played a critical role in patients' lives – by preparing essential, bespoke medications for a range of health conditions. Those include, but aren't limited to, autism, autoimmune disorders, dermatology, oncology, ophthalmology, podiatry, pediatrics, women's and men's health, and animal health.

Rough estimates are that compounded medications account for **1% to 3%** of all prescriptions written in the U.S. There's a good chance you know someone who has benefited – or whose pet has benefited – from a compounded drug.

DEMOGRAPHIC PROFILE

**19** YRS

The average pharmacist respondent has been a licensed pharmacist for about **25 years** and has been a compounding pharmacist for about **19 years**.

**12** YRS

The average pharmacy technician respondent has been a pharmacy technician for about **16 years** and has been a compounding pharmacy technician for **more than 12 years**.

**23%**

of pharmacy technician respondents are **certified compounded sterile preparation technicians**.

**39%**

39% of respondents are **women** (and 1% are nonbinary).

**52%**

52% of respondents are **sole or partial owners** of their pharmacy or outsourcing facility.

**8%**

8% of pharmacist respondents are **board-certified sterile compounding pharmacists**.

THE MEDIAN 503A COMPOUNDING PHARMACY:

Dispenses

350

compounded prescriptions a week.



Serves

150

different prescribers of compounded medications.



Works with

100

unique compounding formulations in a typical week.



Has

1

location.



Employs

15

people.



61% of 503A compounding pharmacies **do not accept** insurance for compounded preparations. **25%** accept **some insurance** for compounded preparations, but the circumstances in which insurance is accepted are **limited**. This is likely because very few insurers cover compounded preparations at all.

THE MEDIAN 503B OUTSOURCING FACILITIES:

66.7%

distribute compounded **non-sterile preparations** to traditional pharmacies for **patient-specific dispensing**.

The median outsourcing facility **employs**

30

people.



75%

distribute compounded **sterile preparations** to traditional pharmacies for **patient-specific dispensing**.

NON-STERILE PREPARATIONS

Non-sterile preparations include topical creams, oral tablets and capsules, and suppositories — essentially, medications that are used in or on parts of the body where sterility is not necessary for patient safety.

97% of traditional compounding pharmacies compound **non-sterile preparations**.

97%



Hazardous drugs make up an average of **40%** of pharmacy and facility non-sterile compounded preparations.

40%



80% of pharmacies and facilities that compound non-sterile preparations do so for **both human and veterinary** use. **4%** compound non-sterile preparations for **veterinary use only**.

80%



STERILE PREPARATIONS

Sterile preparations have much stricter compounding standards and requirements to ensure that no microorganisms or other potential contaminants are present. Sterile compounds include ophthalmic solutions, injectables, or parenteral nutrition.

45% of traditional compounding pharmacies compound **sterile preparations**.

45%



Hazardous drugs make up an average of **19%** of pharmacy and facility sterile compounded preparations.

19%



49% of pharmacies and facilities that compound sterile preparations do so for **both human and veterinary** use. **5%** compound sterile preparations for **veterinary use only**.

49%



COMPOUNDING THERAPIES OF INTEREST

TOP 5 COMPOUNDING THERAPIES OFFERED (BY VOLUME):



36%

Hormone replacement therapy



14%

Veterinary



11%

GLP-1s



8%

Dermatology



7%

Men's health

The median compounding pharmacy is licensed in **two states** and ships approximately **1%** of its compounded preparations **out of state**.

1%

76% OF RESPONDENT PHARMACIES COMPOUND KETAMINE.

15%

Injectable

71%

Nasal

39%

Oral

78%

Sublingual

66%

Transdermal

IN THE PAST TWO YEARS:



55%

55% compounded copies of FDA-approved drugs when those drugs were listed as "**currently in shortage**" on the FDA drug shortage list.

20% of respondent pharmacies contracted to fill compounded prescriptions for a **telehealth company**.

20%



COMPOUNDED GLP-1S

OVER THE PAST TWO YEARS, 55% COMPOUNDED SEMAGLUTIDE OR TIRZEPATIDE PREPARATIONS.

DOSAGE FORM:

52%

Injectable

9%

Oral

84%

Sublingual

GLP-1 FORMULATIONS COMPOUNDED:

58% compounded **more** custom formulations or dosage forms **not commercially available** than copies.

58%



26%

26% compounded **more** copies of the **FDA-approved** drugs than custom formulations.

CHANGES MADE TO MEET GLP-1 DEMAND:



51%

increased staff or hours



48%

purchased equipment



24%

expanded or moved to a larger facility

33%

In the past two years, 33% of traditional pharmacies dispensed compounded GLP-1s sourced from a 503B outsourcing facility.

COMPLIANCE AND REGULATION

IN THE PAST FEW YEARS:

81%

have invested in **facility improvements** to achieve compliance

34%

have invested in **stability studies** for **non-sterile** preparations

29%

have invested in **stability studies** for **sterile** preparations

ACCREDITATION/ CERTIFICATION:

23% Pharmacy Compounding Accreditation Board

27% National Association of Boards of Pharmacy

24% LegitScripts

About APC

The **Alliance for Pharmacy Compounding** is the industry trade association and the voice for pharmacy compounding, representing more than 600 compounding small businesses — including 8,000+ compounding pharmacists and technicians in both 503A and 503B settings — as well as prescribers, educators, researchers, and suppliers. Every day, APC members play a critical role in patients' lives, preparing essential, custom medications for a range of health conditions, including autism, oncology, dermatology, ophthalmology, pediatrics, women's health, animal health, and others.

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