# Disruption and Opportunity in Prescription Data Networks: Analyzin the FY 2026 CMS/ONC Final Rule and Impact on Surescripts

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## Abstract

This essay examines the FY 2026 CMS/ONC final rule, particularly the sections impacting electronic prescribing, real-time prescription benefit (RTPB), and electronic prior authorization (ePA) standards. It:

- Dissects the rule's interoperability mandates and certification criteria
- Analyzes the implications for Surescripts' current market dominance in prescription routing, benefit verification, and prior authorization
- Identifies market entry points for new health tech players in e-prescription, RTPB, and ePA solutions
- Evaluates the potential for disintermediation of entrenched network monop
- Discusses investment strategies for leveraging emerging API-based ecosyste under TEFCA and FHIR mandates

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# Introduction

In the early days of electronic prescribing in the United States, the technical and regulatory barriers to exchanging drug data between prescribers, pharmacies, ar payers were high enough that the market naturally gravitated toward a single intermediary. Surescripts emerged as that intermediary by operating at the nexu pharmacy benefit managers, retail pharmacies, and electronic health record vend By integrating tightly with PBM formulary systems and pharmacy dispensing software, it created a near-monopoly in the electronic prescription routing, bene verification, and prior authorization space. For two decades, this position has be both lucrative and defensible due to a combination of network effects, proprieta transaction formats, and the lack of a regulatory mandate for open, API-driven interoperability. The FY 2026 CMS/ONC final rule marks a potential inflection in that equilibrium.

The final rule incorporates provisions that, while broadly framed as advancing interoperability under the 21st Century Cures Act, have direct implications for t commercial prescription transaction market. First, the ONC Health IT Certifica Program now requires certified technology to support electronic prescribing usi NCPDP SCRIPT standard version 2023011 and to implement a real-time prescri benefit API using NCPDP's RTPB standard version 13. These functionalities are merely optional enhancements for vendors seeking certification; they are set to become part of the Base EHR definition by January 1, 2028. This effectively man that every certified EHR be capable of initiating these transactions through oper APIs, with no requirement that they be mediated by a legacy network intermedi

Second, the final rule finalizes new certification criteria for electronic prior authorization based on HL7 FHIR implementation guides, as well as modular AI capabilities such as workflow triggers for decision support and subscription-bas event notifications. These represent a complete shift in the technical substrate fo high-friction, revenue-rich transactions like prior authorizations. Instead of rou through proprietary EDI networks and vendor-specific portals, payers will be required under the separate CMS Interoperability and Prior Authorization rule expose FHIR-based APIs that certified health IT can consume directly.

For Surescripts, this presents a dual challenge. Its historical value proposition h been that it could normalize heterogeneous data formats, manage payer-specific connectivity, and maintain a single point of integration for EHR vendors. The FY rule and its companion CMS mandates erode this advantage by standardizing no the payload format but the transport method, and by legally obligating payers to the necessary endpoints available. In such an environment, the rationale for payi Surescripts' transaction fees comes under scrutiny, particularly for high-volume transactions like benefit checks and prior authorization requests.

# The Prescription Data Economy and Surescripts' Strategic Position

To understand the magnitude of disruption these rules may create, it is essential grasp the scale and structure of Surescripts' current business model. Surescripts operates what amounts to the nervous system of American prescription drug commerce, processing approximately 2.5 billion electronic prescriptions annuall maintaining a 95 percent market share in both prescription routing and eligibili verification services. This dominance has been maintained through what the Fed Trade Commission characterized as a deliberate strategy of exclusivity agreemer loyalty contracts, and barriers to multihoming that prevented customers from us competing platforms.

The company's revenue model is transaction-based, charging fees for each prescription routed, eligibility check performed, and prior authorization proces through its network. With estimated annual revenues between 100 million and 7 million dollars, depending on the source, Surescripts has monetized its position de facto infrastructure provider for prescription data exchange. The company processes transactions worth trillions of dollars in pharmaceutical commerce wh extracting a modest but consistent toll on each interaction.

The economic moat around this business has historically been protected by seve factors beyond network effects. First, the technical complexity of managing hun of different payer formularies, eligibility systems, and prior authorization workf created genuine value for EHR vendors and pharmacies that preferred a single integration point. Second, the NCPDP standards required for e-prescribing, whi theoretically open, were implemented through proprietary extensions and interpretations that made direct payer integration challenging. Third, the lack o regulatory pressure for standardized APIs meant that payers had little incentive expose direct interfaces that would bypass Surescripts' network.

This business model came under legal scrutiny when the FTC filed suit against Surescripts in 2019, alleging illegal monopolization of electronic prescription markets. The case culminated in a 2023 settlement that prohibited the company enforcing exclusivity agreements and loyalty provisions in its contracts. Howeve settlement did not address the fundamental structural advantages that allowed Surescripts to maintain its dominant position. The FY 2026 rule may accomplish

the FTC settlement could not by creating regulatory requirements that eliminat technical barriers to direct API integration.

The timing of these regulatory changes coincides with other pressures on Suresc business model. The company was acquired by TPG, a private equity firm, in Oc 2024, suggesting that its existing shareholders may have recognized the need for strategic repositioning ahead of regulatory disruption. Additionally, Surescripts been exploring strategic partnerships and acquisitions, such as its purchase of ActiveRADAR, to expand beyond pure transaction processing into value-added analytics and decision support services.

## Key Provisions in the FY 2026 Final Ru E-Prescribing, RTPB, and ePA

The Health Data, Technology, and Interoperability: Electronic Prescribing, Real· Prescription Benefit and Electronic Prior Authorization final rule, published as of the FY 2026 IPPS, establishes three critical certification criteria that will resh prescription data exchange. These requirements represent the culmination of a r year effort by CMS and ONC to standardize and open prescription-related APIs, building on authorities granted under the 21st Century Cures Act and the Consolidated Appropriations Act of 2021.

The first key provision updates the electronic prescribing certification criterion require support for NCPDP SCRIPT standard version 2023011, replacing the cu version 2017071. This updated standard includes significant enhancements that extend beyond simple version upgrades. Version 2023011 introduces improved extensibility, support for Risk Evaluation and Mitigation Strategies transactions dental procedure codes, patient gender and pronouns, patient conditions, redesi product and drug groupings, and critically, support for three-way transactions a prescriber, facility, and pharmacy to enable electronic prescribing of controlled substances in long-term care settings. Perhaps most importantly for competitive dynamics, the standard includes pharmacy-initiated transfer of electronic contr

substance prescriptions and specific electronic prior authorization transactions will be required.

The transition period for SCRIPT 2023011 extends from the effective date of the through January 1, 2028, after which exclusive use of the updated standard will b mandatory. This gives market participants approximately three and a half years t implement the new standard, but the interim period allows for parallel operatio both versions, potentially creating opportunities for new entrants to establish m presence before the full transition is complete.

The second critical provision establishes certification requirements for real-time prescription benefit functionality using NCPDP RTPB standard version 13. This requirement, which takes effect January 1, 2027, mandates that certified EHRs b capable of querying payer systems in real-time to retrieve patient-specific covera formulary status, cost-sharing requirements, and alternative medication options RTPB capability represents a fundamental shift from batch-oriented formulary updates to dynamic, patient-specific benefit determination at the point of prescr

The RTPB standard enables prescribers to see, in real-time, what a patient will p out-of-pocket for a prescribed medication, whether the medication is covered ur their formulary, what prior authorization requirements exist, and what lower-co alternatives might be available. This functionality addresses a critical gap in prescription decision-making that has contributed to medication abandonment and suboptimal therapy choices. By requiring this capability in all certified EHR rule effectively democratizes access to real-time benefit information that was previously available only through proprietary interfaces.

The third major provision introduces electronic prior authorization certificatior criteria based on HL7 FHIR R4 implementation guides. These criteria require certified health IT to support automated prior authorization workflows, includi ability to determine prior authorization requirements, submit requests, and rece decisions through standardized APIs. The FHIR-based approach represents a dramatic departure from the current ecosystem of proprietary portals, fax-based

submissions, and custom integrations that characterize most prior authorization processes.

The electronic prior authorization requirements work in conjunction with the C Interoperability and Prior Authorization Final Rule, which mandates that payers implement FHIR APIs for prior authorization by January 1, 2027. Together, thes rules create end-to-end API connectivity for prior authorization workflows, eliminating the technical necessity for intermediary networks to broker these hi value transactions.

Beyond these three primary certification criteria, the rule establishes several mo API requirements that support workflow integration and event-driven architecti These include decision support hooks that can trigger prior authorization check prescription benefit queries, and formulary lookups based on prescribing contex well as subscription-based notifications that can alert providers to changes in pa coverage or formulary status.

## The Competitive Implications for Surescripts' Network Model

The regulatory changes embodied in the FY 2026 rule directly challenge the fundamental premises of Surescripts' network-mediated business model. Histori Surescripts has justified its transaction fees by providing value as an integration that normalizes disparate data formats, manages complex connectivity requirem and offers reliable, high-performance routing for mission-critical prescription transactions. The new standards and API requirements erode each of these value propositions in specific ways.

First, the mandated adoption of standardized NCPDP and FHIR formats reduce need for format normalization and translation services. When both EHRs and pa are required to support the same standards with the same implementation requirements, the technical barriers to direct integration are significantly lower This is particularly important for RTPB transactions, where Surescripts has

historically provided value by aggregating hundreds of different payer interfaces a single API that EHR vendors could integrate once and use across all covered li

Second, the regulatory mandate for payer API availability eliminates one of Surescripts' key historical advantages: its relationships with payers and ability t negotiate access to their systems. When payers are required by federal regulatio provide FHIR APIs for prior authorization and RTPB functionality, new market entrants can access the same underlying data and services that Surescripts provi without needing to negotiate individual agreements or navigate proprietary inte

Third, the shift to API-based architecture opens opportunities for cloud-native, microservices-oriented competitors that can offer superior performance, reliabil and user experience compared to Surescripts' legacy infrastructure. Companies build from the ground up for API-first architecture may be able to provide lowe latency, higher availability, and more sophisticated analytics than networks desi for EDI-era message passing.

The competitive threat is not merely theoretical. Several factors suggest that ma disruption is likely to accelerate following the implementation of these rules. Th private equity acquisition of Surescripts by TPG indicates that sophisticated inv recognize the need for strategic repositioning in anticipation of regulatory chan Private equity ownership often signals an intent to optimize operations, reduce and potentially prepare for exit through strategic sale or further restructuring.

Additionally, the broader health tech investment landscape has seen significant capital deployment in prescription-related technologies, suggesting that investo entrepreneurs are positioning for opportunities in this space. Companies like CoverMyMeds, which was acquired by McKesson for 1.4 billion dollars, and DrF which has raised substantial venture funding, have demonstrated that there is b market demand and investor appetite for prescription workflow automation and authorization solutions.

The FTC settlement with Surescripts, while not directly addressing the technica architecture of prescription routing, has eliminated the legal barriers that previ

prevented customers from multihoming or switching to alternative platforms. T removal of exclusivity agreements and loyalty provisions means that EHR vendo pharmacies, and payers are free to explore competitive alternatives without fear contractual repercussions or economic penalties.

However, Surescripts is not likely to passively cede market share. The company l several strategic options for defending and potentially expanding its position in API-centric ecosystem. First, it can leverage its existing customer relationships a operational expertise to position itself as the highest-reliability, most compreh aggregator of the new standardized APIs. Even in a world where payers are requ to provide FHIR endpoints, there may still be value in having a single integratio point that handles error handling, retry logic, and performance optimization acr hundreds of different payer systems.

Second, Surescripts can pivot toward value-added services that layer intelligence analytics on top of the standardized data flows. The company's acquisition of ActiveRADAR, which provides therapeutic alternatives and clinical decision sup suggests a strategy of moving up the value chain from pure transaction processi clinical intelligence and workflow optimization. In this model, Surescripts woul compete less on network exclusivity and more on the quality of insights and automation it can provide to clinicians at the point of care.

Third, the company can explore vertical integration opportunities, potentially partnering with or acquiring EHR vendors, pharmacy chains, or PBMs to create tighter coupling between prescription data services and point-of-care workflows a strategy would be consistent with broader consolidation trends in health IT an could help maintain relevance even as the underlying infrastructure becomes commoditized.

## API-Centric Market Entrants: Structura Shifts in Prescription Routing

The standardization of prescription routing APIs creates structural opportuniti new market entrants that were previously impossible due to the technical and

regulatory barriers protecting Surescripts' network. The NCPDP SCRIPT 20230 standard, when implemented consistently across EHRs and pharmacy systems, e direct routing of prescriptions without requiring intermediary networks. This o several categories of potential competition that could reshape the prescription r landscape.

The first category consists of cloud-native API platforms that can provide prescription routing services with superior performance characteristics compare legacy networks. Companies building modern microservices architectures with g content delivery networks, auto-scaling infrastructure, and real-time monitoring potentially offer lower latency, higher availability, and better error handling thar networks designed for earlier generations of health IT infrastructure. These plat could compete primarily on technical excellence, offering SLA guarantees and performance metrics that exceed what legacy providers can deliver.

The second category involves specialized routing services that focus on specific segments or use cases where Surescripts' one-size-fits-all approach may be suboptimal. For example, companies could build routing platforms optimized fo specialty medications, controlled substances, veterinary prescriptions, or long-te care facilities. The SCRIPT 2023011 standard includes specific enhancements fo these use cases, creating opportunities for niche players to provide superior functionality for targeted market segments.

The third category encompasses regional or network-specific routing providers t could serve particular geographic markets or health system networks more effec than a national monopoly. Health systems with significant market presence in particular regions might find value in routing providers that understand local pa mix, pharmacy relationships, and regulatory requirements better than a national provider optimized for the lowest common denominator across all markets.

Perhaps most significantly, the API standardization enables EHR vendors to con building prescription routing capabilities directly into their platforms rather th relying on external providers. Large EHR companies like Epic, Cerner, and athenahealth have the technical capabilities and customer reach to potentially

internalize prescription routing, eliminating third-party transaction fees and providing tighter integration with clinical workflows. The marginal cost of addi prescription routing to an existing EHR platform may be substantially lower tha cumulative transaction fees paid to external providers over time.

The competitive dynamics become particularly interesting when considering the transaction economics. Surescripts currently charges fees for each prescription routed, creating a variable cost structure that scales with prescription volume. N entrants could potentially offer flat-rate pricing, subscription models, or even freemium approaches that generate revenue through value-added services rather per-transaction fees. Such pricing models could be particularly attractive to high volume prescribers or health systems looking to reduce variable costs and impro predictability in their health IT spending.

The technical architecture enabled by FHIR and modern API standards also allo more sophisticated routing logic and decision-making than the current network model supports. New entrants could build routing platforms that incorporate re time analytics, machine learning-based optimization, predictive failure detectio intelligent retry mechanisms. These capabilities could provide tangible improve in prescription success rates, delivery times, and error reduction compared to le systems designed primarily for message passing rather than intelligent workflow orchestration.

However, market entrants will face several challenges in competing with Surescr established position. Network effects remain important even in an API-standard environment, as routing providers need connectivity to large numbers of pharma to provide comprehensive coverage for prescribers. Surescripts' existing relation with virtually every major pharmacy chain and PBM create switching costs and relationship dependencies that will not disappear overnight simply because API become standardized.

Additionally, the operational complexity of managing prescription routing at sca should not be underestimated. Surescripts processes billions of transactions ann with extremely high reliability requirements, and the institutional knowledge ar

operational procedures required to maintain such performance are not easily replicated. New entrants will need to demonstrate not just technical competence operational excellence at scale before gaining the trust of mission-critical prescr workflows.

## Real-Time Prescription Benefit: From Closed Network Gatekeeping to Open A Competition

The real-time prescription benefit requirement in the FY 2026 rule may represe most significant competitive threat to Surescripts' business model because it addresses one of the company's highest-value, most defensible service offerings. functionality enables prescribers to see patient-specific coverage information, formulary status, copay amounts, and alternative medication options in real-tim during the prescribing process. This capability has become increasingly importa high-deductible health plans and complex formularies have made prescription c less predictable for both patients and providers.

Surescripts has historically dominated this market by aggregating RTPB interfa from hundreds of payers into a single API that EHR vendors can integrate once a use across their entire patient population. The technical complexity of managing different payer APIs, varying data formats, and inconsistent response times has created genuine value for EHR vendors that prefer not to manage dozens or hun of individual payer integrations. However, the NCPDP RTPB standard version 1 requirement changes this dynamic by mandating that payers provide standardize APIs that any certified EHR can consume directly.

The competitive implications are particularly significant because RTPB transact generate high per-transaction fees for Surescripts while requiring relatively moc technical resources to process. Unlike prescription routing, which requires com message transformation and reliable delivery to pharmacy systems, RTPB querie typically simple request-response transactions that return structured data about coverage and costs. The high margins on these transactions make RTPB an attra

target for new market entrants that can provide equivalent functionality at lowe or with superior user experience.

The standardization of RTPB APIs also enables innovation in user interface and decision support that was previously constrained by Surescripts' network architecture. New entrants could build RTPB services that provide more sophist cost comparison tools, therapeutic alternative recommendations, patient assista program matching, and outcomes-based prescribing guidance. These value-adde capabilities could differentiate RTPB providers on functionality rather than just connectivity, creating opportunities for clinical decision support companies to e the prescription benefit space.

Several categories of potential competitors emerge from the RTPB standardizati First, existing clinical decision support vendors could extend their platforms to include real-time benefit checking as part of comprehensive prescribing workflo Companies like Wolters Kluwer, IBM Watson Health, and Epic's own decision support tools could integrate RTPB functionality to provide more complete guic to prescribers without requiring separate integrations or additional vendor relationships.

Second, pharmacy benefit management companies could potentially offer direct services to compete with third-party aggregators. Large PBMs like Express Scrip CVS Caremark, and OptumRx already maintain the underlying data and systems required for RTPB functionality. By providing direct APIs to EHR vendors, they eliminate middleman fees while potentially improving the accuracy and timeline benefit information for their covered populations.

Third, health IT vendors focused on price transparency and cost management co build comprehensive RTPB platforms that combine real-time benefit data with broader prescription cost intelligence. These platforms could integrate multiple sources including cash prices, manufacturer coupons, patient assistance prograr and pharmacy-specific pricing to provide more complete cost guidance than traditional RTPB services that focus only on insurance coverage.

The user experience opportunities in RTPB are particularly significant because current implementations provide only basic coverage and cost information witho sophisticated decision support or workflow integration. New entrants could buil RTPB interfaces that provide predictive analytics about prescription abandonme likelihood, automatically suggest therapeutic alternatives based on cost and clin equivalence, and integrate with electronic prescribing workflows to streamline t selection of optimal medications for individual patients.

However, RTPB market entry faces several challenges that may limit the pace of disruption. Payer compliance with RTPB API requirements will likely be unever with smaller payers potentially slower to implement standardized interfaces tha large national plans. New RTPB providers will need to maintain fallback capabil for non-compliant payers, potentially requiring some of the same complex integ work that has historically protected Surescripts' position.

Additionally, the accuracy and completeness of RTPB data varies significantly ac payers, and Surescripts has developed institutional expertise in data validation, handling, and quality assurance that new entrants will need to replicate. Prescri have low tolerance for inaccurate benefit information that could lead to patient dissatisfaction or prescription abandonment, creating high barriers to entry for providers that cannot demonstrate equivalent data quality and reliability.

The timing of market entry will be critical for RTPB competitors. The January 1 compliance deadline for RTPB standard version 13 creates a window during whi new entrants can establish market presence while EHR vendors are necessarily updating their integrations to support the new standard. EHR vendors that are required to modify their RTPB integrations anyway may be more willing to cons alternative providers during this transition period than they would be under nor circumstances.

# Electronic Prior Authorization: Automating the Last Paper Wall

Electronic prior authorization represents perhaps the greatest opportunity for m disruption created by the FY 2026 rule because it addresses one of the most inefficient and administratively burdensome processes in American healthcare. I authorization requirements affect an estimated 89 percent of physicians, who re spending an average of two days per week on prior authorization activities. The current process typically involves phone calls, fax transmissions, and manual for completion that can delay patient access to needed medications by days or week

Surescripts has monetized this inefficiency through its electronic prior authoriz platform, which automates some aspects of the prior authorization process but s relies on proprietary interfaces and payer-specific workflows. The company's eP solution processes millions of prior authorization requests annually, charging transaction fees for each submission and response. However, the FHIR-based pr authorization requirements in the FY 2026 rule, combined with the CMS Interoperability and Prior Authorization Final Rule, create an end-to-end API framework that could eliminate the need for intermediary platforms.

The technical architecture for FHIR-based prior authorization is fundamentally different from the EDI-based systems that have characterized electronic prior authorization to date. FHIR APIs enable real-time, bidirectional communication between EHRs and payer systems, allowing for immediate determination of prio authorization requirements, automated submission of requests with clinical documentation, and real-time status updates on request processing. This archite supports workflow automation that was impossible with batch-oriented EDI transactions.

The competitive opportunity in electronic prior authorization extends beyond si transaction processing to comprehensive workflow automation and clinical deci support. New market entrants could build prior authorization platforms that incorporate machine learning to predict approval likelihood, automatically gene clinical justifications based on patient data, and provide real-time guidance to prescribers on the most efficient paths to medication approval. These capabilitie could reduce the administrative burden on providers while improving patient ac to needed therapies.

Several categories of potential competitors could emerge in the FHIR-enabled p authorization market. First, clinical workflow automation companies could buil comprehensive prior authorization solutions that integrate with EHR systems to provide end-to-end automation from requirement determination through appro tracking. These platforms could leverage robotic process automation, natural language processing, and machine learning to minimize manual intervention in p authorization workflows.

Second, existing utilization management and clinical decision support vendors c extend their platforms to include prior authorization functionality. Companies t already provide clinical guidelines, formulary management, and utilization revie services have domain expertise and payer relationships that could be leveraged t build superior prior authorization solutions.

Third, artificial intelligence and machine learning companies focused on healthc applications could build prior authorization platforms that provide predictive analytics and automated decision support. These platforms could analyze histori approval patterns, clinical guidelines, and patient-specific factors to optimize pr authorization strategies and improve success rates.

The value proposition for new electronic prior authorization platforms extends beyond cost reduction to include improved clinical outcomes and patient satisfa Current prior authorization processes often delay or prevent access to optimal therapies, leading to medication switches, treatment delays, and potentially wors clinical outcomes. FHIR-based platforms that can process prior authorization requests in real-time during prescribing workflows could eliminate these delays providing prescribers with immediate feedback on coverage and alternatives.

The market opportunity in electronic prior authorization is substantial because current process generates significant costs for providers, payers, and patients wi corresponding value creation. Providers spend billions of dollars annually on pr authorization administrative activities, while patients experience delays and bar to accessing needed medications. A platform that could dramatically reduce thes

costs while improving outcomes would create value for all stakeholders in the prescription ecosystem.

However, electronic prior authorization automation faces several implementatio challenges that may slow market development. Payer systems for prior authoriza vary significantly in their clinical requirements, documentation standards, and approval criteria. New platforms will need to accommodate this variation while providing consistent user experiences for prescribers who work with multiple pa

Additionally, the clinical complexity of prior authorization decisions requires sophisticated understanding of medical necessity criteria, clinical guidelines, an individual patient factors. Platforms that automate prior authorization workflov must balance efficiency with clinical appropriateness, ensuring that automation not compromise the quality of clinical decision-making or patient safety.

The regulatory environment for electronic prior authorization continues to evol with potential future requirements for prior authorization transparency, appeals processes, and outcome reporting. New market entrants will need to build platfo that can adapt to changing regulatory requirements while maintaining complian with existing standards for clinical documentation and decision-making.

# TEFCA and Modular API Requirements: Building the New Railways for Drug Da Exchange

The Trusted Exchange Framework and Common Agreement represents a paralle development that could significantly amplify the competitive disruption created the FY 2026 rule. TEFCA creates a nationwide network of Qualified Health Information Networks that enable standardized data exchange using FHIR APIs potentially providing an alternative infrastructure for prescription data transact that bypasses traditional intermediaries entirely.

TEFCA's facilitated FHIR capabilities, which are being implemented in 2024 an 2025, enable direct API-based data exchange between healthcare organizations

without requiring pre-existing relationships or custom integrations. This capabi could be particularly relevant for prescription-related data exchange, as it provi trust framework and technical infrastructure that new market entrants could lev to compete with established networks.

The intersection of TEFCA and prescription data exchange creates several strate opportunities for health tech entrepreneurs. First, companies could build prescription routing and benefit verification services that operate through TEFC networks, potentially providing nationwide coverage without requiring individu agreements with hundreds of payers and pharmacies. The TEFCA trust framewo and security standards could reduce the compliance and operational overhead associated with prescription data exchange while enabling new market entrants focus on functionality and user experience rather than network building.

Second, TEFCA enables more sophisticated data sharing for prescription-relate decisions that incorporate broader clinical context than traditional prescription routing networks support. Companies could build decision support platforms th combine real-time prescription benefit data with clinical history, social determi of health, and outcomes data to provide more comprehensive guidance for presc decisions.

Third, the modular API requirements established in the FY 2026 rule enable component-based architecture for prescription workflows that could be assembl different configurations depending on organizational needs. Rather than requiri monolithic platforms that handle all aspects of prescription processing, organiza could potentially mix and match best-of-breed components for routing, benefit verification, prior authorization, and clinical decision support.

The TEFCA framework also supports subscription-based event notifications and workflow triggers that could enable more proactive prescription management th current batch-oriented systems allow. For example, platforms could automatical notify prescribers when patients' formulary coverage changes, when prior authorization requirements are updated, or when new therapeutic alternatives b

available. These capabilities could improve medication adherence and optimize therapy selection in ways that current systems do not support.

However, TEFCA adoption in the prescription data space faces several challenge may limit its near-term impact. The framework is still in early implementation p with only a small number of Qualified Health Information Networks currently operational. The prescription-specific use cases for TEFCA are not yet well-defi and it remains unclear how quickly payers and pharmacies will implement TEFC connectivity for prescription data exchange.

Additionally, the performance and reliability requirements for prescription transactions are extremely demanding, as delays or failures in prescription routi directly impact patient care. TEFCA networks will need to demonstrate that the meet these requirements at scale before gaining widespread adoption for missio critical prescription workflows.

The economic model for TEFCA-based prescription services also remains uncle While TEFCA reduces some of the technical barriers to market entry, successfu prescription data platforms still require significant investment in infrastructure compliance, and operational support. New entrants will need to develop sustain business models that can compete with established providers while justifying th investment required to build and maintain high-reliability prescription transact processing.

# Entrepreneurial Opportunities in the Post-Surescripts Era

The regulatory changes embodied in the FY 2026 rule create multiple categories entrepreneurial opportunities for health tech companies that can build superior experiences and workflow automation on top of standardized prescription data A These opportunities span the full spectrum of prescription-related workflows, fr clinical decision support through administrative automation, and could support development of entirely new categories of health IT companies.

The first major category involves API-native prescription platforms that provide comprehensive workflow automation for prescribing, benefit verification, and pr authorization. These platforms could offer superior user experiences compared t legacy systems by providing real-time decision support, predictive analytics, and seamless integration with clinical workflows. Companies building from scratch v modern API-first architecture could potentially provide better performance, reliability, and functionality than networks designed for earlier generations of h IT infrastructure.

A particularly promising subcategory involves prescription cost transparency an optimization platforms that help patients and providers navigate the complex landscape of drug pricing, insurance coverage, and patient assistance programs. RTPB standardization enables new entrants to build comprehensive cost compa tools that incorporate insurance coverage, cash prices, manufacturer coupons, a pharmacy-specific pricing to identify the most cost-effective options for individu patients. These platforms could address the growing problem of prescription abandonment due to cost by providing real-time guidance on affordable alternat and assistance programs.

The second major category encompasses clinical decision support platforms that leverage prescription data to provide evidence-based guidance for medication selection, dosing, and monitoring. These platforms could integrate real-time prescription benefit data with clinical guidelines, drug interaction databases, an patient-specific factors to provide comprehensive prescribing support that goes beyond simple formulary checking. Companies could build artificial intelligence powered platforms that learn from prescribing patterns and outcomes to provid increasingly sophisticated recommendations over time.

Specialty-focused prescription platforms represent another significant opportun particularly for complex therapeutic areas like oncology, mental health, and rare diseases where standard formulary and prior authorization processes may be inadequate. Companies could build platforms specifically designed for specialty medication workflows, incorporating specialized clinical guidelines, patient assi

program integration, and coordination with specialty pharmacies and infusion centers.

The prior authorization automation opportunity deserves particular attention be it addresses one of the most universally frustrating aspects of prescription work for both providers and patients. Companies could build platforms that use mach learning to predict prior authorization requirements, automatically generate cli justifications, and provide real-time status tracking for authorization requests. T platforms could potentially reduce prior authorization processing time from day weeks to minutes or hours, creating substantial value for all stakeholders.

Regional and network-specific opportunities also emerge from the API standardization, as health systems and regional payers may prefer prescription platforms that understand local market dynamics, provider relationships, and pa populations better than national monopolies. Companies could build prescriptic platforms optimized for specific geographic markets, health system networks, or payer organizations, providing more tailored functionality than one-size-fits-all national platforms.

The integration opportunity with broader health IT ecosystems represents anotl significant category. Companies could build prescription data services that integ deeply with EHR workflows, population health platforms, and care management systems to provide more comprehensive medication management than standalon prescription processing. These integrated platforms could support medication adherence monitoring, outcomes tracking, and population-level prescription ana that help health systems optimize their formulary decisions and clinical protoco

Analytics and business intelligence platforms built on prescription data streams provide valuable insights for pharmaceutical manufacturers, payers, and provide Companies could build platforms that analyze prescription patterns, market tre and outcomes data to support drug development, formulary management, and cl research. The standardization of prescription data APIs makes it easier to aggre data from multiple sources for comprehensive analytics that were previously dif to achieve.

The patient engagement opportunity should not be overlooked, as prescription c and access issues are major drivers of healthcare dissatisfaction. Companies cou build patient-facing platforms that provide transparency into prescription costs coverage options, and assistance programs, potentially integrated with telemedic platforms and direct-to-consumer healthcare services. These platforms could he patients make more informed decisions about their medications while reducing abandonment rates and improving adherence.

## Strategic Considerations for Investors: Valuation Shifts and M&A Triggers

The regulatory disruption created by the FY 2026 rule has significant implicatio health tech investment strategies, particularly for companies operating in or adj to the prescription data ecosystem. The potential commoditization of Surescript network advantages creates both risks and opportunities that sophisticated inve should consider when evaluating portfolio companies and new investment opportunities.

From a risk perspective, the rule suggests that companies with business models dependent on proprietary data networks or exclusive API relationships may face increasing pressure as interoperability mandates eliminate their competitive mo This has implications not only for Surescripts but for other health IT companies have built value propositions around aggregating disparate data sources or mana complex integrations on behalf of their customers. Investors should evaluate por companies for exposure to commoditization risk and consider whether their competitive advantages will remain defensible in an API-standardized environm

The timing of the regulatory implementation creates specific windows of opport that may favor early-stage companies over established players. The transition pe for SCRIPT 2023011, RTPB version 13, and FHIR-based prior authorization exte through 2027 and 2028, providing a multi-year window during which new marke entrants can establish positions while incumbent providers are necessarily upda their own systems for compliance. This suggests that companies founded in 202

2025 may have optimal timing to build market presence before the new standard fully implemented.

The private equity acquisition of Surescripts by TPG in October 2024 provides a signal about institutional investor perceptions of the regulatory disruption. Priv equity involvement often indicates either an opportunity to optimize operations of strategic sale or a belief that the company can successfully pivot its business m to maintain value in a changing regulatory environment. The acquisition price a terms, while not publicly disclosed, likely reflect expectations about how the regulatory changes will impact Surescripts' future cash flows and competitive position.

From a sector allocation perspective, the rule suggests increased investment opportunities in API-native health IT companies that can build superior user experiences and workflow automation on standardized data infrastructure. Thes companies may have advantages over legacy providers in terms of technical architecture, development velocity, and cost structure that become more import proprietary network advantages diminish. Investors may want to increase exposu early-stage companies building on modern cloud infrastructure and API-first architectures.

The consolidation implications are also significant, as the regulatory changes ma accelerate merger and acquisition activity among companies seeking to assemble comprehensive prescription workflow platforms. EHR vendors may acquire prescription data companies to internalize capabilities that they currently purch from third parties. PBMs may acquire technology companies to provide direct se to their covered populations. Pharmacy chains may acquire clinical decision sup companies to enhance their patient care capabilities.

The valuation implications vary significantly depending on companies' strategic positions relative to the regulatory changes. Companies that provide value-adde services on top of standardized APIs may see valuation premiums as investors recognize their potential to gain market share from commodity network provide Conversely, companies whose value propositions depend primarily on exclusive c

access or proprietary integrations may face valuation pressure as these advantag become less defensible.

The international expansion opportunities created by API standardization shoul be considered by investors. Companies that build successful prescription data platforms in the United States may be able to expand more easily to other marke that adopt similar interoperability standards. The FHIR-based architecture requ by the US rules is increasingly being adopted globally, potentially creating scala platforms that can serve multiple markets without requiring complete redevelop for each geography.

# Risks, Regulatory Overhang, and the Pace of Adoption

Despite the significant opportunities created by the FY 2026 rule, several risks a implementation challenges may slow the pace of market disruption and create uncertainty for both incumbents and new entrants. Understanding these risks is critical for developing realistic timelines and investment strategies around prescription data market evolution.

The most significant risk involves uneven compliance and implementation acros diverse ecosystem of payers, providers, and technology vendors. While the rules establish clear requirements and deadlines, the practical reality of implementing complex technical standards across thousands of organizations with varying tech capabilities and resources will likely result in significant variation in compliance quality and timing. Smaller payers and regional health plans may struggle to implement robust FHIR APIs within the mandated timeframes, potentially requ new market entrants to maintain fallback capabilities that reduce the efficiency from standardization.

Payer resistance represents another significant implementation risk. While paye legally required to implement the specified APIs, the quality, performance, and comprehensiveness of these implementations may vary based on payers' strategi priorities and competitive considerations. Payers that benefit from the current

system's inefficiencies may implement minimally compliant APIs that satisfy regulatory requirements without providing the superior functionality that new r entrants need to compete effectively.

The technical complexity of managing prescription data at scale should not be underestimated, particularly for companies without extensive experience in heal transaction processing. Prescription routing requires extremely high reliability a performance standards, as failures can directly impact patient care and provider workflows. New entrants will need to demonstrate not just technical competenc operational excellence at healthcare-grade reliability levels, which requires signi investment in infrastructure, monitoring, and support capabilities.

Data quality and accuracy issues present ongoing challenges that may limit the competitive advantages available to new market entrants. Prescription benefit da complex and frequently changing, with variations in formulary status, prior authorization requirements, and cost-sharing that must be accurately reflected i real-time queries. Surescripts has developed institutional expertise in data valid and quality assurance over two decades of operation, and new entrants will need replicate this expertise to provide reliable service to prescribers who have low tolerance for inaccurate information.

The cybersecurity and compliance requirements for prescription data platforms continue to evolve, creating ongoing operational overhead and risk exposure for market participants. Companies handling prescription data must comply with H state privacy regulations, DEA requirements for controlled substances, and eme cybersecurity frameworks. New entrants may face higher compliance costs relati their transaction volumes than established providers that can amortize these cos across larger customer bases.

Competitive response from incumbent providers may also slow market disruptic Surescripts and other established players are unlikely to passively cede market s and may respond to regulatory changes with aggressive pricing, enhanced functionality, or strategic partnerships that maintain their competitive positions company's acquisition by TPG provides access to additional capital and strategi

expertise that could support a more aggressive competitive response than might possible under previous ownership structure.

The timeline for EHR vendor adoption of new standards and APIs may be longer regulatory deadlines suggest, particularly for smaller EHR companies with limit development resources. While the largest EHR vendors like Epic and Cerner hav resources to implement new standards relatively quickly, the long tail of smaller providers may require additional time and support to achieve compliance. This c limit the addressable market for new prescription data services until broader EH adoption is achieved.

Market education and change management represent additional challenges for n entrants seeking to displace established providers. Healthcare organizations are generally conservative in their technology adoption, particularly for mission-crit functions like prescription processing. New companies will need to invest signif resources in sales, marketing, and customer education to overcome the natural in that favors existing provider relationships.

# Conclusion: Positioning for the Next Decade of Prescription Data Infrastructure

The FY 2026 CMS/ONC final rule represents a watershed moment in the evoluti prescription data infrastructure, creating the regulatory foundation for a more competitive, innovative, and efficient ecosystem of prescription-related services. standardization of APIs for electronic prescribing, real-time prescription benefi and electronic prior authorization eliminates many of the technical and regulato barriers that have protected Surescripts' dominant market position for two deca

For health tech entrepreneurs, the rule creates unprecedented opportunities to b API-native platforms that can compete on functionality, user experience, and cos rather than on exclusive network relationships. The most significant opportuniti in comprehensive workflow automation, clinical decision support, and patient-fa

cost transparency tools that leverage standardized data access to create superior outcomes for prescribers, patients, and payers. Companies that can build platfo combining real-time benefit data with predictive analytics, therapeutic optimiza and seamless EHR integration may be able to capture significant market share d the implementation transition period.

For investors, the regulatory changes suggest a fundamental shift in the competi dynamics of prescription data services, with potential value migration from netv operators to platform providers and application developers. The timing of the regulatory implementation creates specific investment windows that may favor e stage companies over established players, particularly for companies building or modern API-first architectures. However, the operational complexity and reliabi requirements of prescription data processing create high barriers to entry that v likely limit the number of successful new entrants.

The implications for Surescripts itself remain to be fully determined. While the regulatory changes clearly threaten the company's historical competitive advanta Surescripts maintains significant assets in terms of operational expertise, custon relationships, and transaction volume that could support a successful transform to compete in an API-standardized environment. The company's acquisition by and strategic investments in value-added services suggest recognition of the nee business model evolution, but the ultimate success of this transformation will de on execution quality and competitive responses from new market entrants.

The pace of market disruption will likely be determined by the interaction of regulatory compliance timelines, EHR vendor implementation priorities, and pa cooperation with API requirements. While the technical standards are now established, the practical reality of implementing complex interoperability requirements across thousands of organizations with varying capabilities and incentives suggests that market transformation may occur over several years rath than immediately upon regulatory deadlines.

The broader implications extend beyond prescription data to the entire landscap healthcare interoperability and data exchange. The FY 2026 rule demonstrates t

federal government's willingness to use regulatory authority to eliminate marke failures in healthcare IT, potentially serving as a model for similar interventions other areas where proprietary networks have created barriers to innovation and competition. TEFCA and FHIR-based architectures provide the technical found for similar disruptions in other healthcare data domains.

For the healthcare system as a whole, the successful implementation of these regulatory changes could yield significant benefits in terms of reduced administ burden, improved medication access, and better clinical outcomes. The eliminat friction in prescription workflows could reduce costs for providers and patients enabling more sophisticated clinical decision support and population health management. However, realizing these benefits will require successful execution both incumbent providers and new market entrants operating within the new regulatory framework.

The next five years will be critical for determining whether the FY 2026 rule ach its intended goals of promoting competition and innovation in prescription data services. The companies that successfully navigate this transition by building su products on standardized infrastructure while maintaining the reliability and performance standards required for healthcare applications will likely emerge a dominant players in the next generation of prescription data platforms. For entrepreneurs and investors willing to understand the technical complexities an regulatory requirements involved, the disruption of one of healthcare IT's most enduring monopolies presents a generational opportunity to build valuable, imp companies that improve outcomes for patients and providers throughout the American healthcare system.

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