President Trump Issues Executive Order Calling for Most Favored Nation Drug Pricing

Healthcare Law Update

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In an Executive Order issued on May 12, 2025, President Trump directed federal agencies to implement policies to tie prescription drug prices to international price targets and to facilitate direct to consumer sales of prescription drugs at the most favored nation (MFN) price. The Executive Order instructed the Secretary of the Department of Health and Human Services to communicate MFN price targets to drug manufacturers within 30 days after the publication of the Executive Order.

The issuance of the Executive Order comes on the heels of President Trump's repeated criticism of the high cost of brand-name prescription drugs in the United States as compared to other developed countries. The Executive Order is intended to ensure that payers in the United States do not pay more for prescription drugs than payers in other developed nations, and that the United States does not subsidize global research and development costs or allow manufacturers to offer lower prices in other countries. Further, the Executive Order calls on various federal agencies to take aggressive action to identify and address practices by drug manufacturers that contribute to high drug prices in the United States.

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