

What They Are Saying: Free-Market Organizations' Opposition to a Most Favored Nation Drug Pricing Model



WATCH: [Steve Forbes, Steve Moore, and Larry Kudlow: MFN=Price Controls](#)

"Most favored nations." "It's the least favorable to us."

"Joe Biden wanted price controls. Kamala Harris ran on price controls."

"The way they're doing it now is very convoluted. It's going to hurt the development of new drugs."

American Action Forum: "Taken together, this EO and MFN pricing model will have devastating effects on U.S. pharmaceutical access and innovation. The federal government's expanded role in adjudicating whether a company deserves access to the U.S. market will, in effect, produce a single-payer system that determines appropriate care and outcomes for patients. The new pricing scheme, which doesn't account for U.S. purchasing power, as well as the transition to a DTC cash system, will dry up any return on investment that a pharmaceutical company may have previously counted on. Reduced revenue for pharmaceutical manufacturers will create downward pressure on research and development funding. This will lessen development of and access to new drugs that treat the ever-rising prevalence of chronic conditions, such as cancer and heart disease, or address rare diseases. In the last 20 years, economists have consistently found that price controls reduce the development and launch of new drugs, thus eroding the access that American patients have to innovative and much-needed medicines." [\[Link\]](#) May 13, 2025

American Commitment: "We need to beat foreign price controls, not join them. America is the global leader in R&D and innovation, and too many other countries get a free ride. But this flawed MFN proposal would mean less medical innovation for anyone to get a ride on – free or otherwise. And that means fewer new cures and treatments that patients depend on," said Phil Kerpen, President of American Commitment. "Congress should prioritize commonsense, free-market policies like the EPIC Act and bipartisan PBM reform legislation to protect our health care

system and deliver lower costs, while the administration should directly confront foreign price control regimes through trade negotiations. Price controls have never worked and never will.” [\[Link\]](#) May 3, 2025



Americans for Limited Government: “Adopting Biden’s failed strategy of importing Europe’s socialist price controls on drugs is a proven failure — and would allow China to replace the U.S. as the world leader in innovative medicines. Thankfully, President Trump knows better.” [\[Link\]](#) May 8, 2025

Americans for Tax Reform: “While the Administration has correctly identified the unique problems facing the American health care system — namely, wealthy countries paying artificially lower prices for prescription drugs than the U.S. and the fact that this depresses innovation and inflates our costs — MFN would not solve these problems. In fact, it would exacerbate them. In addition to doing nothing to address foreign freeloading, MFN drug pricing will reduce access to new cures and reduce U.S. global competitiveness, capitulating to China.” [\[Link\]](#) May 13, 2025



Center for American Principles: “CAP joined 23 conservative organizations led by #CASM opposing MFN status that would impose tariffs on medicines #POTUS @RepGuthrie @RepJasonSmith” [\[Link\]](#) May 31, 2025



Center for a Free Economy: “Many of the countries used as reference points in MFN policies -- Canada, France, Germany -- impose rigid price ceilings on medicines, well below those set by market mechanisms. If these international prices become the basis for Medicaid rebates, the number of drugs subjected to negative prices could grow exponentially. That would impose unsustainable costs on manufacturers and introduce serious market distortions. No industry can function when it must pay the government every time a consumer uses its product.” [\[Link\]](#) May 5, 2025



Center for Individual Freedom: “Accordingly, the most foolish thing that Americans could do in the effort to address drug prices is import those nations’ self-destructive drug price controls through something known as “Most Favored Nation” (MFN) designations. Unfortunately, amid the ongoing debate over pharmaceutical pricing in the United States, that MFN idea has gained traction among some policymakers who encourage the Trump administration to adopt it. In essence, the MFN mechanism would cap U.S. drug prices at the lowest price paid by other developed nations. In other words, the MFN idea would capitulate to foreign freeloader nations by importing their price controls to our shores. Proponents contend that the MFN scheme would finally force foreign governments to pay their fair share for prescription drugs and thereby cut costs for U.S. consumers. As wise commentators like Pacific Research Institute President and CEO Sally Pipes note, however, that policy course ignores root causes and only replicates the very problem — drug unavailability — that it pretends to resolve.” [\[Link\]](#) March 26, 2025

Citizens Against Government Waste: “Moving away from the goal of ensuring that Medicaid funds are not being wasted by attempting to find “savings” by imposing a most-favored nation (MFN) policy on Medicaid drug reimbursement would not only fail to resolve the inefficiencies in Medicaid but also lead to less innovation and fewer cures...Members of Congress should take the opportunity to fix the inefficiencies in Medicaid through reconciliation and explain that spending on the program will continue to increase, but with less waste, fraud, and abuse. And they should



push for increased market-based policies that encourage economic growth and innovation rather than adopting price controls.” [\[Link\]](#) May 4, 2025

Commitment to Seniors: “We need to beat foreign price controls, not join them. America is the global leader in R&D and innovation, and too many other countries get a free ride. But this flawed MFN proposal would mean less medical innovation for anyone to get a ride on – free or otherwise. And that means fewer new cures and treatments that patients depend on...” [\[Link\]](#) May 3, 2025

Competitive Enterprise Institute: “In the long run, using government to force price reductions will also reduce economic incentives for researchers to develop the drugs of the future.

“The better solution to foreign freeloading is to push other countries to institute more market-oriented price determination methods.” [\[Link\]](#) May 12, 2025

Conservatives for Property Rights: “MFN price controls are tantamount to a tax on an industry that supports 5 million good-paying American jobs. The net effect of MFN in Medicaid will be to kill American jobs and American innovation, particularly for addressing the most acute conditions in the Medicaid and Medicare populations. This risks handing U.S. biopharma leadership over to China. A better alternative for budget reconciliation is actual Medicaid reform. Wrest savings by disqualifying able-bodied people from Medicaid and imposing a work requirement. Restore pre-Obama-Biden qualifications for Medicaid, which weren’t exactly stingy. Government price controls are a nonstarter. They don’t belong in American health care. Market-based competition and consumer choice are the prescription for curbing costs while improving quality and fostering innovation. Say no to MFN, no to any form of socialized medicine.” [\[Link\]](#) May 7, 2025

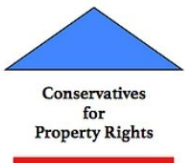
Consumer Action for a Strong Economy: “While we agree with the Trump Administration’s mission to end foreign freeloading, the proposed MFN pricing model would not address the underlying problem. Instead, this deeply flawed policy threatens to undermine domestic manufacturing and innovation by importing socialist-style price controls from foreign countries, tying U.S. drug prices to artificially low benchmarks set by countries that routinely undervalue medical innovation. In doing so, this approach would discourage investment in research & development (R&D), putting critical treatments at risk...Price controls are not the solution.” [\[Link\]](#) May 16, 2025

Institute for Policy Innovation: “But instead of insisting that other countries pay a fair price for drugs, the Trump administration is advocating the opposite—importing foreign price controls to the U.S. *The Trump administration doesn’t like importing underwear from Vietnam but loves the idea of importing Vietnam’s price controls on pharmaceuticals.*” [\[Link\]](#) May 7, 2025

International Center for Law & Economics: “Above all, however, the administration should avoid adopting an MFN pricing policy within Medicaid that would benchmark U.S. reimbursement rates to foreign prices. Adopting an MFN pricing policy domestically would significantly undermine the revenue streams critical to funding ongoing innovation.

“The disproportionate share of global pharmaceutical revenue earned in the United States is not simply a function of market size, but is also directly tied to the absence of the stringent price

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controls that characterize foreign markets. Introducing foreign price controls domestically would risk replicating Europe’s historical experience, where similar policies drastically reduced pharmaceutical innovation.” [\[Link\]](#) May 9, 2025

National Taxpayers Union: “Rather than make structural reforms to this and other bad practices in Medicaid, MFN would be the antithesis of prudent design, deliberate action, and prudent oversight. Why bother with putting together genuine structural changes that patients, providers, and taxpayers need, gradually introduce them, and adjust them once the effects are observed? Just find a price or bundle of prices that someone else pays—in this case the very countries accused of “freeloading” off U.S. drug discoveries—plug it into the system and walk away.” [\[Link\]](#) May 3, 2025]

Pacific Research Institute: “The administration can also insist that other countries pay prices commensurate with the value of new medicines as a condition of striking trade agreements with the United States. Doing so would help ensure that foreign countries pick up a bigger share of the globe’s research and development tab. The laws of economics are stubborn things. If the Trump administration really wants to do the most good for patients in the United States and worldwide, they’ll scrap this most favored nation order.” [\[Link\]](#) May 27, 2025

Small Business & Entrepreneurship Council: “In response to learning that lawmakers on Capitol Hill may be considering the inclusion of “Most Favored Nation” (MFN) price controls on drugs covered under Medicaid as a “pay for” in budget reconciliation rather than considering meaningful improvements to Medicaid, Small Business & Entrepreneurship Council (SBE Council) President & CEO Karen Kerrigan issued the following statement: U.S. innovators, competitiveness, and healthcare consumers all lose under an MFN pay-for scheme. A ploy to essentially import the price controls of freeloading foreign nations is a race to the innovative bottom. Price controls and socialism have no place in a policy ecosystem where the goals are innovative dominance and ‘golden-era’ opportunities for entrepreneurs and workers.” [\[Link\]](#) May 4, 2025

Taxpayers Protection Alliance: “There is no better or faster way to flatline the healthcare system than price-fixing medications that millions of patients rely on. Tethering drug prices to prices in other countries will lead to dramatically less availability, lower quality drugs, and significantly worse health outcomes. Other countries have been down this road before. Government interference and manipulation of prices have reliably resulted in drug manufacturers shuttering production in these nations and setting up shop in more market-based countries such as the U.S. Even the former Biden administration admitted that ‘over half of new drugs are launched first in the U.S. before being launched in other countries’ with an average availability lag of a year. That would change on a dime if manufacturers suddenly were unable to recoup the \$2 billion it takes to bring a drug to market in America.” [\[Link\]](#) May 12, 2025


Trade Alliance to Promote Prosperity: “Imposing price controls on American manufacturers would stifle medical innovation, kill jobs, and have a particularly negative effect on the health of our country’s most at-risk patients. Medical innovation was especially important during the pandemic, and price controls would pull the plug on the resources needed to develop such life-saving medicines. Americans would be put at risk now and long into the future. Indeed, it is




impossible to know just how many Americans would suffer as a result of curtailed innovation.”
[\[Link\]](#) May 8, 2025

Unleash Prosperity: “We love most of Donald Trump’s Executive Orders, but this one may be the worst.

“Trump will order draconian price controls on almost all patented pharmaceutical drugs as a retaliation against the outrageous price controls imposed by foreign countries...

 “Ironically, Trump has also said he wants to be the president who wins the race for the cure for cancer, Alzheimer’s, MS, and epilepsy.

“We are for severe U.S. retaliation against foreign price controls on American-made drugs. But the victims of this policy won’t be foreigners, but Americans suffering from these terrible diseases.” [\[Link\]](#) May 12, 2025

 **Coalition Against Socialized Medicine, 60 Plus Association, Advancing American Freedom, American Commitment, American Consumer Institute, Americans for a Balanced Budget, Center for a Free Economy, Center for American Principles, Center for Individual Freedom, Center for Innovation and Free Enterprise, Center for Medicine in the Public Interest, Conservatives for Property Rights, Consumer Action for a Strong Economy, Consumer Choice Center, Frontiers of Freedom, Hispanic Leadership Fund, Institute for Liberty, Market Institute, National Taxpayers Union, Pacific Research Institute, Parkview Institute, Small Business & Entrepreneurship Council, Taxpayers Protection Alliance, and Trade Alliance to Promote Prosperity:** “This is a critical moment. The MFN model is not real reform. It is a deeply flawed proposal that would put foreign bureaucrats in charge of decisions that should be made by American patients and doctors. We respectfully urge you to reject this policy and support solutions that protect innovation, strengthen access and affordability, and put America first.”
[\[Link\]](#) May 13, 2025