

Potential MFN impact

On May 12, President Trump signed an executive order titled “Delivering Most-Favored Nation (MFN) Prescription Drug Pricing to American Patients.” The rationale for the Executive Order was that “**The inflated prices in the United States fuel global innovation while foreign health systems get a free ride.**”

Reference country selection

HHS provided guidance on setting benchmark pricing by considering the lowest price among a set of reference countries, defined by membership within the Organization for Economic Co-operation and Development (OECD) and a 60% of the US GDP per capita threshold:



16 MFN reference countries

Initial CRA analysis suggests these 16 countries will be the comparators:



MFN implications

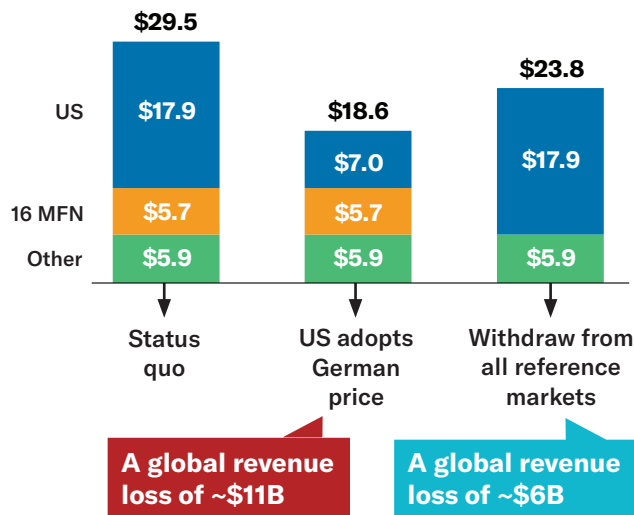
Hypothetically, we consider how lowering the US price to the reference price would impact the global sales of a product. For this example, we use a large oncology product with 40+ indications and high global sales:


\$5,898
list price


\$2,278
list price

Germany happens to have the lowest list price across the reference countries at a 61% discount to the US list price.

2024 Revenue by geography (in USD billions)



In this example, **more** sales would be retained by **withdrawing** from reference markets, which suggests an unintended consequence of MFN may be to not launch in certain foreign countries.

Source: Navlin, Evaluate Pharma, CRA Analysis (June 2025)

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