



# 2026 JP Morgan Panel Summary

CRA Charles River  
Associates

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## Most Favored Nation pricing in the US

Expert perspectives on the global implications for market access, innovation, and policy reform

### The situation

In recent policy announcements, the US government has outlined proposals to introduce international reference pricing mechanisms – commonly described as Most Favored Nation (MFN)-style models – into Medicare and Medicaid drug pricing. These models are generally designed to more closely align US drug prices with those found in other developed countries. The proposed policy changes represent a significant shift in the pharmaceutical pricing structure in the US.

Historically, the US has played a substantial role in financing biopharmaceutical innovation. The US accounts for roughly 70%-90% of global biopharma profits, with higher US prices effectively supporting earlier access and innovation across international markets. MFN pricing and related Medicare models challenge this dynamic, raising concerns about potential unintended consequences

There is a growing apprehension that these policies could incentivize manufacturers to delay or withhold launches in lower-priced reference markets, potentially widening the existing access disparities between markets. Such dynamics could place additional pressure on already cost-constrained European and global health systems, especially in countries where pricing thresholds and reimbursement frameworks have not kept pace with inflation or innovation. These policies also risk exacerbating challenges in sustaining life sciences investment, raising broader questions about how the global burden of funding pharmaceutical innovation will be shared in the future.

## The panel

Charles River Associates (CRA) conducted an expert panel session at the 2026 JP Morgan Healthcare Conference with health policy experts from the US, Germany, and the UK to discuss the global implications of MFN pricing in Medicare and answer some key questions.



### Richard Torbett, PhD

Dr. Torbett MBE is Chief Executive of the Association of the British Pharmaceutical Industry (ABPI), a role he has held since 2020. With nearly two decades of experience in the pharmaceutical sector and a background in economics, innovation, and healthcare policy, he has worked internationally at Pfizer, EFPIA, and in UK government roles. Richard serves on several national life sciences boards and was awarded an MBE in 2024 for his services to the industry.



### Erin Trish, PhD

Erin is co-director of the USC Schaeffer Center for Health Policy & Economics and an associate professor at the USC Mann School of Pharmacy. Her research examines the intersection of public policy and health care markets, with work on Medicare, the pharmaceutical supply chain, and surprise medical bills. Widely published and funded by leading foundations, she has testified before Congress and federal agencies, and in 2018 received the Seema Sonnad Emerging Leader in Managed Care Research Award.



### Jürgen Wasem

Jürgen is Professor of Health Services Management at the University of Duisburg-Essen, where he leads programs in health economics and management. He has served in key roles within the German health care system, including chairing arbitration boards on drug pricing, digital health app reimbursement, and physician fee schedules. With dual PhDs in health economics and public health, he is a recognized expert advising policymakers on health care financing, drug policy, and hospital systems..



### Moderator – Kirsten Axelsen

Kirsten is a Senior Policy Advisor at Charles River Associates. She works with leaders in healthcare to develop business practices that lead to greater access to affordable medicines, positive public perception, and sustained profitability to support investment in the next generation of innovation.

## The discussion

A dominant theme throughout the discussion was the **uncertainty arising from MFN-style pricing proposals**. Details of agreements between manufacturers and the US administration are not publicly available, creating a bifurcated environment in which some companies opt into arrangements that may (or may not) provide exemptions from future pricing restrictions, such as recently proposed CMS programs GLOBE and GUARD, while others continue to pursue more traditional global pricing strategies. This divergence is already influencing portfolio prioritization, launch sequencing, and geographic market selection as companies seek to balance near-term access opportunities against longer-term pricing risks in the US.

From a European perspective, panelists emphasized the **increasing fragility of access frameworks**, with the UK cited as a particularly acute example. Experts noted that the National Institute for Health and Clinical Excellence (NICE) cost-effectiveness thresholds have remained flat since its origin in the late '90s, resulting in declining value-based prices when adjusting for inflation. When combined with sustained cost-containment pressure and elevated claw-back mechanisms, the panel perceived an increasingly challenging environment for innovative medicines, as evident by an increase in non-launches, terminated NICE work programs, and a decline in the share of global life sciences R&D investment. MFN-related developments are expected to amplify these existing pressures. It was noted that the US UK trade agreement reached in December 2025 included a small increase – for the first time – in the NICE threshold, a commitment to increase investment in innovative medicines and a reduction in the clawback rate imposed on companies. It remains to be seen whether these commitments will be enough to reverse the adverse trends in UK access to medicines and investment.

Panelists also discussed how MFN related policy signals are spreading across the EU. While acknowledging that drug pricing remains a national responsibility, experts noted that the extraterritorial implications of US pricing policy are becoming increasingly difficult for European policymakers to ignore. Experts have already observed growing reassessment within several countries of pricing confidentiality arrangements, reimbursement scope, and HTA flexibility. These discussions reflect a recognition that rigid price review frameworks may exacerbate launch delays or contribute to products not being introduced at all, particularly where manufacturers seek to limit international price referencing exposure.

A related concern raised by the panel was **pricing transparency and data risk**. Experts questioned how MFN models might operationalize price benchmarking, including whether list or net prices would be used, which data sources would be considered authoritative, and what recourse manufacturers would have if prices were set based on incomplete or inaccurate information. The feasibility of disclosing confidential net prices from reference markets was questioned, with participants highlighting that these agreements are often confidential on both sides. This may force the US into referencing list prices, leading to shifting list and net price strategies in these reference markets.

The panel further highlighted **shifts in payer-manufacturer contracting dynamics**, particularly in the US where there is a growing recognition that the current gross-to-net gap is becoming unsustainable. In the panel's assessment, recent high-profile list price reductions may represent a recalibration towards historical net price levels for certain therapeutic categories. Pressures driven by MFN are viewed as accelerating this transition, with broader implications for insurers including downstream effects on premiums, patient cost sharing, and benefit design.

Experts also examined the **evolving role of Pharmacy Benefit Managers (PBMs) and other intermediaries**. While acknowledging long-standing manufacturer frustration with PBM practices, panelists noted that reliance on PBMs remains necessary due to their control over formulary access. However, participants observed early signs of experimentation with alternative contracting models and increased scrutiny of PBM transparency. The panel cautioned that meaningful reform remains uncertain and that changes to intermediary roles could introduce new risks for Medicare Part D stability and patient out of pocket costs.

Another key topic is the **disproportionate impact of these policy changes on small and emerging biotech companies**. Experts emphasized that, while larger manufacturers may be better positioned to manage pricing volatility, many breakthrough innovations originate from smaller firms already facing regulatory uncertainty and constrained market footprints. In the panel's view, MFN-related policies and pressures may further discourage these companies from entering European and global markets, raising longer-term concerns about innovation diversity and equitable patient access.

Finally, panelists placed these developments within the context of **intensifying global competition**, particularly from China. Experts highlighted China's emergence as a biopharmaceutical development leader as the result of sustained government prioritization and coordinated investment. While participants acknowledged that this growth may ultimately expand global innovation capacity, they also stressed that the increase in competition complicates strategic decision making for companies operating across increasingly fragmented pricing, access, and regulatory environments. Collectively, the panel viewed these dynamics as raising fundamental questions about how the costs and risks of pharmaceutical innovation will be shared globally and how policy shifts in one market can reverberate across others.

## Next steps for industry

Panelists agree that MFN-driven policy changes could represent a structural, not temporary, shift in global market access. For industry, this implies several immediate and potentially long-term actions:

1. Companies should re-evaluate global launch sequencing and pricing strategies using a more integrated, global price focused approach, anticipating greater scrutiny and potential erosion of confidential discounts;
2. Companies should proactively engage with governments and Health Technology Assessment (HTA) bodies, particularly in Europe, to communicate the real consequences of sustained underpricing on access, innovation, and investment;
3. Manufacturers should plan for heightened volatility across regulatory, pricing and reimbursement pathways; and
4. Large gaps in price between the US and other developed countries present a risk, whether codified in this administration or in the future.

Collectively, the perspectives shared through this expert discussion underscore that MFN-style pricing reforms could represent a structural shift rather than a transient policy experiment. While the full implications will continue to evolve, the panel's insights highlight clear risks to global launch strategies, patient access, and the sustainability of innovation if policy changes are not carefully calibrated.

As governments and industry navigate this transition, sustained dialogue, greater policy clarity, and a more explicit recognition of global interdependencies will be critical to avoiding unintended consequences and ensuring that reforms achieve affordability objectives without undermining long-term innovation and access.

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