

PRESIDENTIAL ACTIONS

DELIVERING MOST-FAVORED-NATION PRESCRIPTION DRUG
PRICING TO AMERICAN PATIENTS

Executive Orders

May 12, 2025

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Purpose. The United States has less than five percent of the world's population and yet funds around three quarters of global pharmaceutical profits. This egregious imbalance is orchestrated through a purposeful scheme in which drug manufacturers deeply discount their products to access foreign markets, and subsidize that decrease through enormously high prices in the United States.

The United States has for too long turned its back on Americans, who unwittingly sponsor both drug manufacturers and other countries. These entities today rely on price markups on American consumers, generous public subsidies for research and development primarily through the National Institutes of Health, and robust public financing of prescription drug consumption through Federal and State healthcare programs. Drug manufacturers, rather than seeking to equalize evident price discrimination, agree to other countries' demands for low prices, and simultaneously fight against the ability for public and private payers in the United States to negotiate the best prices for patients. The inflated prices in the United States fuel global innovation while foreign health systems get a free ride.

This abuse of Americans' generosity, who deserve low-cost pharmaceuticals on the same terms as other developed nations, must end. Americans will no longer be forced

to pay almost three times more for the exact same medicines, often made in the exact same factories. As the largest purchaser of pharmaceuticals, Americans should get the best deal.

Sec. 2. Policy. Americans should not be forced to subsidize low-cost prescription drugs and biologics in other developed countries, and face overcharges for the same products in the United States. Americans must therefore have access to the most-favored-nation price for these products.

My Administration will take immediate steps to end global freeloading and, should drug manufacturers fail to offer American consumers the most-favored-nation lowest price, my Administration will take additional aggressive action.

Sec. 3. Addressing Foreign Nations Freeloading on American-Financed Innovation. The Secretary of Commerce and the United States Trade Representative shall take all necessary and appropriate action to ensure foreign countries are not engaged in any act, policy, or practice that may be unreasonable or discriminatory or that may impair United States national security and that has the effect of forcing American patients to pay for a disproportionate amount of global pharmaceutical research and development, including by suppressing the price of pharmaceutical products below fair market value in foreign countries.

Sec. 4. Enabling Direct-to-Consumer Sales to American Patients at the Most-Favored-Nation Price. To the extent consistent with law, the Secretary of Health and Human Services (Secretary) shall facilitate direct-to-consumer purchasing programs for pharmaceutical manufacturers that sell their products to American patients at the most-favored-nation price.

Sec. 5. Establishing Most-Favored-Nation Pricing. (a) Within 30 days of the date of this order, the Secretary shall, in coordination with the Assistant to the President for Domestic Policy, the Administrator for the Centers for Medicare and Medicaid Services, and other relevant executive department and agency (agency) officials, communicate most-favored-nation price targets to pharmaceutical manufacturers to bring prices for American patients in line with comparably developed nations.

(b) If, following the action described in subsection (a) of this section, significant progress towards most-favored-nation pricing for American patients is not delivered, to the extent consistent with law:

(i) the Secretary shall propose a rulemaking plan to impose most-favored-nation pricing;

- (ii) the Secretary shall consider certification to the Congress that importation under section 804(j) of the Federal Food, Drug, and Cosmetic Act (FDCA) will pose no additional risk to the public's health and safety and result in a significant reduction in the cost of prescription drugs to the American consumer; and if the Secretary so certifies, then the Commissioner of Food and Drugs shall take action under section 804(j)(2)(B) of the FDCA to describe circumstances under which waivers will be consistently granted to import prescription drugs on a case-by-case basis from developed nations with low-cost prescription drugs;
- (iii) following the report issued under section 13 of Executive Order 14273 of April 15, 2025 (Lowering Drug Prices by Once Again Putting Americans First), the Attorney General and the Chairman of the Federal Trade Commission shall, to the extent consistent with law, undertake enforcement action against any anti-competitive practices identified within such report, including through use of sections 1 and 2 of the Sherman Antitrust Act and section 5 of the Federal Trade Commission Act, as appropriate;
- (iv) the Secretary of Commerce, and the heads of other relevant agencies as necessary, shall review and consider all necessary action regarding the export of pharmaceutical drugs or precursor material that may be fueling the global price discrimination;
- (v) the Commissioner of Food and Drugs shall review and potentially modify or revoke approvals granted for drugs, for those drugs that maybe be unsafe, ineffective, or improperly marketed; and
- (vi) the heads of agencies shall take all action available, in coordination with the Assistant to the President for Domestic Policy, to address global freeloading and price discrimination against American patients.

Sec. 6. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
 - (ii.) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States,

its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The Department of Health and Human Services shall provide funding for publication of this order in the *Federal Register*.

DONALD J. TRUMP

THE WHITE HOUSE,

May 12, 2025.

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