

May 12, 2025

Healthcare

Trump Seeks To Redistribute Global Pharmaceutical Costs



Issue

This morning, President Trump signed an Executive Order (EO) seeking to redistribute global pharmaceutical costs. The EO is entitled, "[Delivering Most-Favored-Nation Prescription Drug Pricing To American Patients.](#)"



Impact

According to the President, "*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.”

“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.”

President Trump’s EO refers to the current global imbalance in prices as an *“abuse of Americans’ generosity [which] must end.”*



Next Steps

The EO directs the Secretary of Commerce and the United States Trade Representative (USTR) to examine the policies and practices of foreign countries which may be contributing to the disproportionate share that U.S. citizens pay for medicines. [This directive is an implicit threat to impose export controls including on precursor materials used in drug manufacturing.](#)

Within a month, Robert F. Kennedy (RFK Jr.), the Secretary of the Department of Health & Human Services (HHS), is directed to consult with pharmaceutical firms to establish *“most-favored-nation price targets to bring prices for American patients in line with comparably developed nations.”* These consultations will also include the Centers for Medicare and Medicaid Services (CMS) and the White House.

If significant progress is not made on a voluntary basis, the EO directs RFK Jr. to begin a rulemaking process to accomplish the same ends and to allow for drug reimportation from other countries after consulting with the Food & Drug Administration (FDA) on a process to allow for consistent drug reimportation.

Per a previous EO just under a month ago, [“Lowering Drug Prices By Once Again Putting Americans First,”](#) the Attorney General and the Federal Trade Commission (FTC) would also be directed to *“undertake enforcement action against any anti-competitive practices...including through use of...the Sherman Antitrust Act...”* and other applicable antitrust laws pending a report due in mid-October. That report will be a joint product of HHS, the Departments of Justice and Commerce, and the Federal Trade Commission with recommendations to reduce anti-competitive behavior from pharmaceutical manufacturers.

The EO also contains an implicit threat to revoke previously granted drug approvals.

Finally, the EO directs RFK Jr. to *“facilitate direct-to-consumer purchasing programs for pharmaceutical manufacturers that sell their products to American patients at the most-favored-nation price.”*

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