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# Trump to Sign Executive Order Slashing Drug Prices by Up to 80% Using Global Benchmarking

**Trump's new "Most Favored Nation" policy ties Medicare drug payments to the lowest prices paid by other rich nations, reviving a blocked 2020 initiative and promising immediate cuts of 30% to 80%—though experts question the feasibility.**

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In a major move aimed at slashing prescription drug costs, President Donald J. Trump is scheduled to sign an executive order on Monday, May 12 at 9:00 a.m. in the White House, reinstating a "Most Favored Nation" (MFN) pricing model to reduce the amount Medicare pays for certain medications.

Announced via a Truth Social post on Sunday, May 11, Trump described the forthcoming executive order as “one of the most consequential Executive Orders in our Country’s history,” claiming it would cut drug prices by 30% to 80% “almost immediately.” The announcement revives a policy originally introduced during his first term, which was halted by federal courts and later rescinded by the Biden administration.

The executive order directs the Department of Health and Human Services (HHS) to tie Medicare Part B drug reimbursements to the lowest prices paid by other high-income countries, a strategy known as international reference pricing. This includes injectable drugs and treatments like cancer infusions that are administered in doctors’ offices. In 2021, these drugs accounted for over \$33 billion in Medicare spending.

The order does not cover common prescriptions obtained at retail pharmacies. However, it could result in substantial savings for the federal government if implemented fully.

Trump emphasized the wide disparities in U.S. drug pricing compared to other developed nations. “For many years the World has wondered why Prescription Drugs and Pharmaceuticals in the United States of America were SO MUCH HIGHER IN PRICE THAN THEY WERE IN ANY OTHER NATION, SOMETIMES BEING FIVE TO TEN TIMES MORE EXPENSIVE,” he wrote.

He added that this new order would “bring FAIRNESS TO AMERICA” by ensuring that the U.S. pays the same or less than other developed countries for the same medications—many of which are manufactured in identical facilities.

The MFN policy, while bold, is not without controversy. The pharmaceutical industry, represented by PhRMA (Pharmaceutical Research and Manufacturers of America), has pushed back hard. Alex Schriver of PhRMA called the policy “government price-setting” and warned it would be “bad for American patients,” potentially reducing access to innovative treatments.

Industry representatives also argue that allowing foreign governments to influence U.S. drug prices could stifle investment in research and development. During Trump’s first term, a similar MFN rule was projected to save taxpayers \$85 billion over seven years, though the policy was blocked by legal challenges and later reversed.

The Biden administration had moved away from the MFN model, instead backing the Inflation Reduction Act (IRA), which authorized direct Medicare negotiations for select high-cost drugs. For example, under the IRA, the blood thinner Eliquis will have a negotiated price of \$295 in 2026—still substantially higher than the \$114 it costs in Sweden or the \$20 it costs in Japan. In the U.S., Eliquis currently costs \$606 for a month’s supply.

Trump’s renewed policy aims to close this gap further, though the logistics of implementing the promised 30% to 80% price cuts “almost immediately” remain unclear. A White House official, speaking anonymously, said the administration aims to “eclipse” the 22% savings achieved under the IRA’s first year, but provided no specifics.

Monday’s order builds on two recent healthcare-related executive orders signed by Trump in April and May 2025.

On April 15, Trump signed an order enhancing the Medicare Drug Price Negotiation Program, aligning Medicare payments with hospital acquisition costs and standardizing prices for drugs like cancer treatments. This order projected savings of up to 60% and provided discounts for low-

income patients, with insulin priced as low as 3 cents and injectable epinephrine at \$15.

On May 5, he signed a separate order to strengthen domestic pharmaceutical manufacturing, streamlining FDA approvals for U.S.-based production and increasing oversight of foreign facilities. That policy aims to reduce dependence on imported drugs while complementing cost-cutting efforts.

Reaction to the executive order has been mixed. Supporters, including some conservative commentators, view the MFN policy as a long-overdue response to what they describe as pharmaceutical price gouging. “Big Pharma’s lobbying of Washington DC has long allowed them to price gouge,” wrote American political activist and author Charlie Kirk, calling the policy a bold consumer protection move.

Still, skeptics question whether such sweeping promises can be fulfilled without congressional support or changes to the IRA negotiation framework.