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# One Pager: What Most Favored Nation Means for Prescription Drugs

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Americans have access to incredible, life-saving medicines. While we have more and faster access to these drugs, we also pay *a lot* of money for them. President Trump has proposed an approach to the cost problem: Most Favored Nation pricing. In a [recent explainer](#), we outlined how Most Favored Nation works, core issues with this drug pricing approach, and alternative ways lawmakers can lower the cost of prescription medications. A summary of that is below.

## What is Most Favored Nation and How Does it Work?

Most Favored Nation (MFN) aims to lower drug prices in the United States by tying them to the lowest price the same drug is sold for in other wealthy countries. The theory is that this will lower prices for Americans while forcing other countries to pay more.

## Why Most Favored Nation Isn't a Meaningful Solution

While MFN makes a good talking point, the policy is riddled with problems. Specifically, it misses the mark in four key ways:

1. MFN puts drug innovation and American global leadership at risk.
2. MFN cedes decision-making authority to foreign nations.
3. MFN does not make up for Trump's policies that undermine access to prescription drugs.
4. MFN is another "concept of a plan" by the Trump Administration.

## What are Some Alternative Policies to Reduce Rx Costs?

While MFN is a problematic approach, policymakers have numerous other options to reduce prescription drug costs. For example:

1. **Address patent thickets.** One reason domestic drug prices are so high is that abuses of the patent system extend exclusivity for new drugs and prevent lower-cost biosimilars and generics from entering the market. Several bipartisan legislative proposals would reform this system.
2. **Increase access to biosimilar drugs.** The development of biosimilars is stunted by regulatory hurdles in federal policy. Lawmakers should consider reforms to the FDA approval process, market entry, and price negotiations for their biologic counterparts.

3. **Expand patient protections in the Inflation Reduction Act.** Congress should expand the cap on out-of-pocket costs to those with coverage through the Affordable Care Act and private insurance.
  4. **Make the 340B drug pricing program accountable.** Simple accountability measures and patient benefit standards will help increase patients' access to low-cost drugs and support safety-net providers serving vulnerable communities.
  5. **Reverse Trump's anti-affordability executive actions.** If Congress is serious about lowering the cost of drugs, it should reverse tariffs and cuts to NIH and FDA that harm innovation, manufacturing, and drug approvals.
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