

Trump signs executive order to slash US drug prices by up to 80%

President Donald Trump has signed a sweeping executive order to cut US prescription drug prices by up to 80%, aligning costs with the lowest in developed nations under a “Most-Favored-Nation” model.



Source: [Pexels](#)

Penned on Tuesday, 13 May 2025, the move marks a major shift in pharmaceutical pricing policy with wide-reaching implications for the healthcare industry.

The Most-Favored-Nation Pricing means Medicare, Medicaid, and even private insurers would pay no more for certain high-cost drugs than the lowest price charged in similar countries. For example, Ozempic goes for just \$88 in London, while Americans might pay over \$1,300 in New York.

Another proposal is to let people buy their medications directly from manufacturers—cutting out the middlemen like pharmacy benefit managers, which could make a real difference in affordability.

Lastly, the order opens the door for importing FDA-approved drugs from places like Canada, where the same prescriptions often cost a fraction of what they do in the US. The goal? More competition and lower prices for American patients.

While some pharmaceutical companies, including AstraZeneca and Novo Nordisk, have expressed cautious support for the initiative, emphasising the need to avoid negative impacts on innovation and patient care, the broader industry has raised concerns.

Industry pushback, uncertainty

The Pharmaceutical Research and Manufacturers of America (PhRMA) criticised the policy, arguing that it could stifle innovation and lead to reduced access to medications.

Analysts have also noted that the executive order lacks legislative authority and specific implementation

details, which could hinder its effectiveness.

Previous attempts to implement similar policies faced legal challenges and limited success, leading to skepticism about the long-term impact of this initiative .

If successfully implemented, however, the executive order could lead to substantial savings for American patients, particularly those on Medicare and Medicaid. However, the policy's success depends on overcoming legal hurdles, industry resistance, and the development of clear implementation guidelines.

The initiative represents a significant shift in US drug pricing policy, aiming to reduce the financial burden on American consumers by leveraging international pricing benchmarks.

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