MOST FAVORED NATION PRICING

COUNCIL FOR AFFORDABLE
HEALTH COVERAGE

A Race to The Bottom That Leaves U.S. Innovation Behind

High prescription drug costs remain a major challenge for many Americans. The Most Favored Nation (MFN) pricing model would require the United States to pay no more for certain prescription drugs than the lowest price paid by peer countries such as Germany, the United Kingdom, or Canada. While intended to lower drug costs, MFN effectively imports foreign government price controls into the U.S. healthcare system.

America leads the world in healthcare innovation. **MFN pricing would repeat Europe's mistakes** – weakening our economy, costing American jobs, and surrendering our edge to China.

74% vs. 43%

New drugs available to patients in the U.S. vs. U.K. since 2011

~340

Fewer new drugs if MNF price controls take hold

30%

China's share of global clinical trials - and rising fast

The European Warning

Europe adopted price controls decades ago. The result: its pharmaceutical innovation leadership collapsed. Before price controls, Europe led global medical R&D. Today, the U.S. leads with $96 billion in annual R&D spending — over half the world's total. Europe contributes less than 30%.

- The U.S. approved 53 novel medicines in 2024; Europe approved only 38.
- 40% of U.S. new drug launches never reached major European markets; only 7% of European launches missed the U.S.
- In countries with the most aggressive price controls, patients face longer waits, rationing, and fewer options.

The China Threat

China is not waiting. It has pursued a deliberate, decades-long strategy to overtake America in life sciences — and MFN would hand them the opening they need.

- Just 15 years ago, 1% of global clinical trial starts came from Chinese companies. Today: 30% are in China— nearly matching the U.S. at 35%.
- China's oncology trials surged 146% — the fastest growth in the world.
- From 2002–2019, China's share of global pharmaceutical output grew from 5.6% to 24.2%. America's share fell from 38% to 27.7%.