Auto Casualty, Workers' Comp

Delivering The Most-Favored Nation Prescription Drug Pricing to American Patients

August 5, 2025
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Author profile image

Brian Allen

Vice President, Government Affairs

On May 12, the White House issued an executive order seeking to get most favored nation prescription drug pricing for American patients.

If you look at what we paid for a brand drug in the United States, versus what other developed countries pay, we pay considerably more. In some cases, two or three times higher than what other countries pay. If you look at the drugs that were negotiated by Medicare, what other countries are paying for those drugs—except for Germany, they are all paying less than the United States for most of those drugs. Even at our negotiated rate, it's not a great deal.

What President Trump wants to do is get the drug companies to sell to the U.S. at or below the pricing offered to these other countries. Their healthcare systems are different. Many of them are socialized, so that the

government itself would be negotiating those rates, but they are able to negotiate better rates than we are. Drug companies will argue, well, we are paying for research and development, and we have more money, so we should be doing that. This is not a new problem, and trump tried to fix this during his first term, and it was stalled by the courts.

The manufacturers have already said they are going to challenge this in courts. And, HHS has started rulemaking. They did announce they are going to compare 16 countries that are economically on par with the United States. It is another attempt to reduce drug costs, and we do pay a lot. $460 billion last year. It will be interesting to see how this shakes out. We are definitely watching it. It does have an impact, broadly, on the workers' comp market. This primarily impacts brand-name drugs. Workers' comp and auto or more of a generic system, but still, there are some things that could be impacted, so we are watching it. We will definitely keep you posted



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