



PROMISES MADE, PROMISES KEPT: LOWERING DRUG COSTS FOR ALL AMERICANS

May 14, 2026

THE TRUMP ADMINISTRATION IS LOWERING THE COST OF MEDICINE

In one year, the Trump Administration has delivered something that many administrations have promised but have not been able to deliver: lowering the cost of prescription drugs, so much so that even the [Consumer Price Index](#) has reflected it.

ON MAY 12, 2025, PRESIDENT TRUMP SIGNED EO 14297, “DELIVERING MOST FAVORED NATION PRESCRIPTION DRUG PRICING TO AMERICAN PATIENTS.”

The Trump Administration is addressing the problem of foreign freeloading, which [increases the costs of drugs](#) for Americans. This is estimated to save Americans [\\$600 billion](#) over the next 10 years. AFPI has written extensively about this problem.

The Trump Administration has negotiated with other countries and U.S. pharmaceutical companies to end foreign freeloading.

- ★ On September 25, 2025, President Trump [announced](#) a 100% tariff on imported drugs and drug ingredients, declaring that companies needed to manufacture more in the United States.
- ★ As part of tariff negotiations, the United Kingdom has signed a [trade agreement](#) with the United States, agreeing to pay closer to their fair share on prescription drugs. The agreement includes:
 - The U.K.’s National Health Service will double its spending on “New Medicines”, from 0.3% of GDP to 0.6% of GDP.
 - The U.K.’s National Institute for Health and Care Excellence will increase the value threshold by 25% and cap mandated rebates.
- ★ Experts in Europe have [cited](#) the “new normal,” in which other countries must move closer to U.S. price levels to maintain timely access to new medicines.
 - One notable exception is Germany. As they move forward with their freeloading plans, they are cutting prices even further, asking the United States to make up the difference.
- ★ Many major pharmaceutical companies, such as Eli Lilly and Company, [announced](#) they will raise drug prices in Europe (including the blockbuster drug Mounjaro) to align costs across the U.S. and Europe. Bristol Myers Squibb [announced](#) that it would launch its schizophrenia treatment in the U.K. at the same U.S. list price, thereby pushing back on the freeloading in Europe.

To immediately bring prescription drug pricing relief to American patients, the President created TrumpRx, a first-of-its-kind platform to bring Most Favored Nation (MFN) pricing to American patients.

- ★ As of May 2026, there are [87 brand-name](#) drugs available to patients—up to a 95% discount off the list price of the drug. Additionally, [there is discussion](#) about bringing generic drugs to the platform.
 - ★ When patients use TrumpRx in conjunction with their health savings account, [they can achieve a greater discount](#)—an additional 30% in savings on average.
 - ★ According to the Council of Economic Advisers, TrumpRx.gov [will generate](#) large patient savings for prescription drugs commonly purchased outside of insurance, including glucagon-like peptide-1 (GLP-1) drugs and fertility medications—saving Americans thousands each year.
 - ★ Patients purchasing insulin and epinephrine directly through a federally qualified health center also [receive](#) discounted drugs, under a similar patients-first discount.
- 🔗 For further information, please refer to AFPI’s [Expert Insight on TrumpRx](#) and AFPI’s [Issue Brief on MFN](#).



For seniors and state Medicaid programs, President Trump has lowered the price of drugs through the Voluntary Most Favored Nation agreements with manufacturers.

- ★ In July 2025, President Trump [sent letters](#) to the 17 largest pharmaceutical manufacturers, telling them to lower drug prices to MFN levels, including extending MFN pricing to Medicaid.
 - By April 2026, the administration reached deals with [all 17](#) drug manufacturers, including voluntary MFN pricing, TrumpRx, and actions against foreign freeloading.
 - In exchange for MFN pricing, manufacturers receive incentives such as temporary tariff exemptions and regulatory flexibility, thereby encouraging voluntary participation rather than mandatory price controls.
- ★ The Centers for Medicare & Medicaid Services (CMS) released innovative models to test new payment structures for seniors enrolled in Medicare and patients enrolled in Medicaid:
 - The [Global Benchmark for Efficient Drug Pricing](#) (GLOBE) model, which is a proposed mandatory model that will assess a rebate for certain drugs payable under Medicare Part B if the prices exceed those paid in economically comparable countries.
 - The [Guarding U.S. Medicare Against Rising Drug Prices](#) (GUARD) model, which is a proposed mandatory model that will assess rebates for certain drugs payable under Medicare Part D if the prices exceed those paid in economically comparable countries.
 - The [Generating Cost Reductions for U.S. Medicaid](#) (GENEROUS) model, which lets states obtain supplemental rebates from participating manufacturers so that Medicaid effectively pays MFN prices for covered outpatient drugs.
- ↪ For further information, refer to AFPI's [public comments](#), as well as AFPI's [interview with CMS](#).

THE TRUMP ADMINISTRATION CONTINUES TO DELIVER CHEAPER PRESCRIPTION DRUGS BY PUSHING BACK ON MIDDLEMEN AND RED TAPE.

Americans looking for cheaper drugs have better tools, thanks to changes in price transparency.

- ★ The Department of Health and Human Services (HHS) [released](#) new drug transparency tools for patients, including a [tool](#) that lets patients know the cost of the drug at the doctor's office.
- ★ The Department of Labor (DOL) [released](#) price transparency regulations to help health plans and their patients have more transparency in the cost of their prescription drugs.
- ★ Both HHS and DOL will begin implementing Title VII of the Consolidated Appropriations Act of 2026, which imposes new price transparency requirements on pharmacy benefit managers.
- ↪ For more information, please refer to AFPI's [Analysis of Title VII](#), a [Research Report on pharmacy benefit managers \(PBMs\)](#), an [interview](#) and [commentary](#) on drug price transparency, and [recent testimony](#) on PBM proposals.

The Trump Administration is bringing cheaper drugs to market by cutting red tape and ending duplicative and unnecessary reviews at the Food and Drug Administration.

- ★ In October 2025, the Food and Drug Administration (FDA) announced the [elimination](#) of certain comparative efficacy study requirements for biosimilars, arguing that those studies added cost without meaningful additional safety or effectiveness information.
- ★ Under the Commissioner's National Priority Voucher [pilot](#), the FDA can grant ultra-expedited, one- to two-month review timelines for products that advance affordability.
- ↪ For more information, please refer to [AFPI's interview](#) with FDA Commissioner Marty Makary, as well as an [op-ed](#) on these reforms.

The Trump Administration is saving money on prescription drugs for seniors, for families and those wanting families, and for everyday American patients.

