

Trump Signs Executive Order Aimed at Lowering Drug Prices

President directs administration to tie drug prices the U.S. pays to those paid by other countries

By **Liz Essley Whyte and Natalie Andrews**
Cleveland.com

WASHINGTON—President [Trump](#) signed an executive order aimed at lowering the cost of prescription drugs, directing his administration to craft a policy that ties U.S. drug prices to what other countries pay.

The executive order seeks to institute a policy known as “Most Favored Nation,” whereby the U.S. government pays prices for drugs that are tied to the prices paid by other countries. Many other countries pay lower prices for medications because their single-payer healthcare systems negotiate for deals.

“Basically what we’re doing is equalizing,” Trump said Monday before signing the order at the White House. He also said it was unfair for the U.S. to shoulder the costs of research and development for pharmaceutical companies.

“American patients were effectively subsidizing socialist healthcare systems,” he said.

Americans often [pay higher sticker prices](#) for drugs than people in other countries. For example, the list price for diabetes medication Jardiance was \$611 for a 30-day supply last year, according to health research nonprofit KFF, compared with \$70 in Switzerland and \$35 in Japan.

The executive order directs the U.S. Trade Representative and Commerce Department to take any appropriate action against “unreasonable and discriminatory policies in foreign countries” that suppress drug prices. It also gives Health Secretary Robert F. Kennedy Jr. 30 days to work with pharmaceutical companies on how to lower prices.

If the drug companies don’t lower prices within 180 days, the order gives Kennedy and others authority to propose rules and restrictions on drug companies and imports.

The order doesn’t specify whether pricing changes [would apply to Medicare](#) or Medicaid, suggesting that its impact could be broad and apply to commercial insurance. A White House official said that lowering prices of drugs for those who use the Medicare part D would be a strong focus, but didn’t specify which medications.

The White House recently weighed legislation instituting the [most-favored-nation drug policy for Medicaid](#), which pharmaceutical executives estimated would cost their

industry more than \$1 trillion over the next decade and force some companies to withdraw from the insurance program for low-income Americans.

“Government price setting in any form is bad for American patients,” said Alex Schriver, senior vice president of Pharmaceutical Research and Manufacturers of America, a trade association representing major drug companies. “At a time when we are facing growing competition from China, policymakers should focus on fixing the flaws in the U.S. system, not importing failed policies from abroad.”

Some Democrats, such as Rep. Ro Khanna of California, expressed approval for Trump’s plan. Khanna posted on X that he would introduce the executive order as written to become legislation and asked for Republican co-sponsors.

The idea to peg drug prices to those paid overseas isn’t a new one for Trump. His [first administration](#) introduced a regulation to do so for certain cancer drugs and others paid for by Medicare, but the effort was struck down by a court on procedural grounds, then abandoned by the Biden administration.

Pharmaceutical executives in recent days scrambled to defeat the Medicaid drug pricing proposal in Congress, and the [bill paying for Trump’s tax cuts](#) is no longer expected to contain it.

Ahead of signing the order, Trump hinted that the drug industry’s pleas had fallen on deaf ears at the White House.

“The Pharmaceutical/Drug Companies would say, for years, that it was Research and Development Costs, and that all of these costs were, and would be, for no reason whatsoever, borne by the ‘suckers’ of America, ALONE,” he had written on Truth Social. “Campaign Contributions can do wonders, but not with me, and not with the Republican Party. We are going to do the right thing, something that the Democrats have fought for many years.”