

# Price Implications of the Most Favored Nation Policy on US Oncology Drug Prices

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## Objectives

On May 12, 2025, US President Trump resurrected plans to lower drug prices via an executive order mimicking international reference pricing (IRP) known as the Most Favored Nation Policy (MFN). While the executive order lacks key details around the proposed scope of the system, the aim of this analysis is to assess potential pricing implications the policy may have based on known elements from the order when it was signed, and statements from President Trump. While the products subjected to MFN were not disclosed, for this analysis, the oncology market will be considered since its one of the largest sectors of the pharma market.

## Methods

The basket of markets was determined according to the MFN policy in its current form. Organisation for Economic Co-operation and Development (OECD) countries with a gross domestic product (GDP) per capita 60% of the US were considered, assuming without purchasing power parity (Australia, Austria, Belgium, Canada, Denmark, Finland, Germany, Iceland, Ireland, Israel, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, and the UK). Prices from GlobalData’s Price Intelligence (POLI) were compared for originator oncology medicines. The most common pack was identified for each brand across the basket, and the WAC price from the US compared to the lowest priced market.

## Results

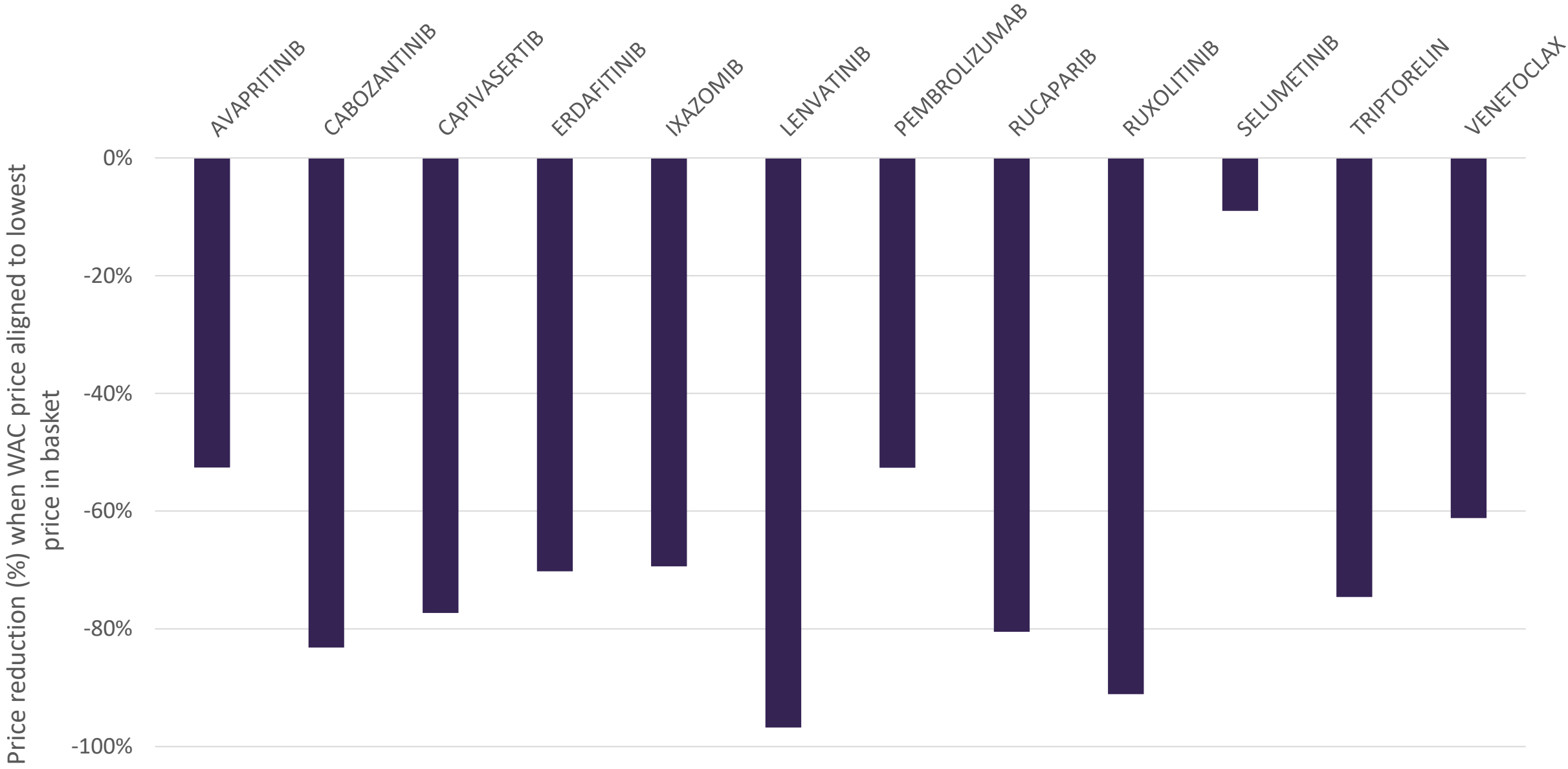
12 branded oncology products were identified as having a common pack across the US and the suggested 16 reference markets. These 12 drugs are summarized in the table below. As per the MFN executive order, the lowest priced market that prices would theoretically align with were primarily dictated by Nordic markets. Across this basket, 42% of these packs were identified as having the lowest price in either Sweden or Denmark, followed by Canada (25%).

Selected oncology products for MFN policy price comparisons

Brand name	Generic name	Pack description	WAC price (\$)	Lowest price in basket (\$)	Lowest priced market from basket
Ayvakyt	avapritinib	300mg x 30 units, film-coated tablets	40,837.00	19,353.15	Australia
Cometriq/Cabometix	cabozantinib	40mg x 30 units, film-coated tablets	26,301.19	4,423.53	Sweden
Truqap	capiwasertib	160mg x 64 units, film-coated tablets	23,609.66	5,360.93	Denmark
Balversa/Erfanel	erdafitinib	4mg x 56 units, film-coated tablets	28,328.74	8,436.57	Canada
Ninlaro	ixazomib	4mg x 3 units, hard capsules	13,364.00	4,090.03	Sweden
Lenvima/Kispilyx	lenvatinib	4mg x 30 units, hard capsule	24,983.00	808.88	Canada
Keytruda	pembrolizumab	100mg x 1 unit, concentrate for solution for infusion	5,897.72	2,793.48	Luxembourg
Rubraca	rucaparib	300mg x 60 units, film-coated tablets	8,685.00	1,693.27	Sweden
Jakavi/Opzelura/Celezon	ruxolitinib	5mg x 60 units, tablet	17,600.00	1,567.09	Denmark
Koselugo	selumetinib	10mg x 60 units, hard capsule	5,799.15	5,276.49	Austria
Decapeptyl/Arvekap/Dipherelin/Fertipeptil/Gonapeptyl	triptorelin	3.75mg x 12 unit, powder and solvent for prolonged-release suspension for injection (vial)	913.75	232.31	Luxembourg
Venclexta/Venclyxto	venetoclax	50mg x 7 units, film-coated tablets	455.61	176.86	Canada

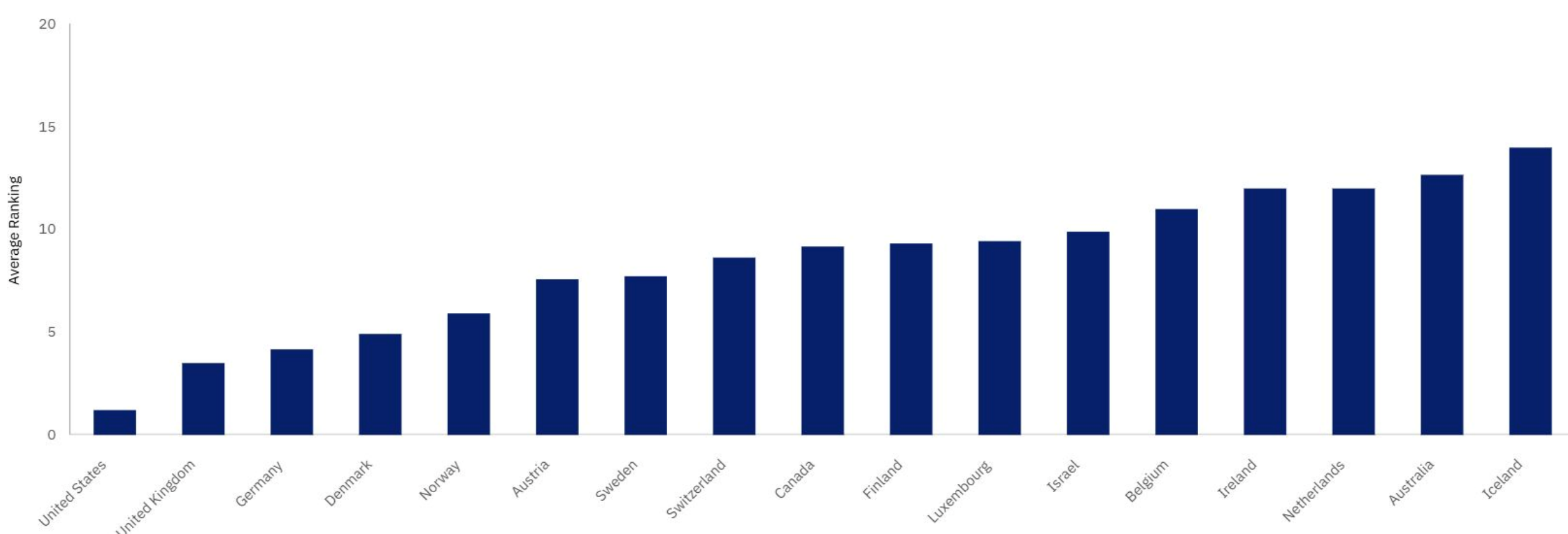
If the wholesale acquisition cost (WAC) price of these products was aligned to the lowest priced market in the basket, an average price reduction of 68% occurs, with price drops ranging from 9% for selumetinib to 97% for lenvatinib.

Distribution of price erosion for selected oncology products if MFN policy applied to WAC price



The average launch sequence for the 12 oncology products was reviewed across the basket of countries. While the US was typically a first launch market, the Nordic countries, which commonly applied the greatest downward pricing pressure, were earlier in the launch sequence compared to other markets. The launch ranking for Denmark, Norway, Sweden, and Switzerland were 4.92, 5.92, 7.73, and 8.64, accordingly.

Average launch sequence of selected oncology products within the MFN defined basket



## Conclusions

Third-party profitability will possibly be squeezed by significant price reductions due to the MFN policy if applied to list prices followed by subsequent confidential discounts. This oncology sample suggests if MFN policy was applied to WAC prices in the US, then prices could decline by an average of 68%, largely triggered by the already low prices in Nordic countries. The impact of Nordic markets on these prices is further reinforced by their launch position compared to the other markets in the reference basket. After key markets such as the UK and Germany, the selected oncology products typically launched in Nordic countries starting with Denmark, followed by Norway, Sweden, and Switzerland. Consequently, the impact of these countries’ downward pricing pressure could happen quickly. While the final parameters of the MFN policy are uncertain, three companies (EMD Serono, Pfizer, and AstraZeneca) have so far begun to amend prices as per MFN. These price cuts have applied to state Medicaid programs but ranged between 42–79%, aligning with the average reduction (68%) found for the sample of products assessed for this analysis at the WAC price.