Is the U.S. Most Favored Nation (MFN) Initiative Expected to Affect Drug Launches in Korea?

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INTRODUCTION

- Prescription drug prices in the United States (U.S.) are substantially higher than those in most comparable high-income countries.
- In May 2025, the U.S. administration announced a **"Most Favored Nation" (MFN)** pricing initiative designed to align U.S. drug prices with those observed in lower-priced, economically comparable countries, through international reference pricing (IRP) principles.
- In December 2025, the U.S. Centers for Medicare & Medicaid Services (CMS) released proposed MFN models (GLOBE and GUARD), referencing prices from 19 OECD countries, **including Korea**
- Although primarily intended to reduce U.S. drug expenditure, MFN policies may create international spillover effects by **influencing manufacturers' global launch and pricing strategies.**

OBJECTIVE

This study evaluated whether Korea's position within MFN pricing distributions could increase the likelihood of launch sequencing delays for innovative medicines.

KEY FINDING

Korea ranked among the three lowest-priced MFN reference countries for 80% (12/15) of newly reimbursed medicines

METHODS

- Branded medicines receiving **first-time reimbursement approval in Korea during 2025** were identified.
- Products with previously reimbursed indications in Korea, generics and biosimilars were excluded.
- **Korean list prices** were compared and ranked against corresponding prices in the 19 countries included in the GLOBE and GUARD MFN models, after adjustment for GDP per capita (PPP) (adjustment factor = 1.406).
- **Prices were converted** using an exchange rate of 1 USD = 1481.34 KRW (April 9, 2026)

RESULTS

- Fifteen drugs met inclusion criteria (Table 1)
- Korea was the lowest-priced country for 6 of 15 products and **ranked among the two lowest-priced countries for 10 of 15 products**. (Fig. 1 and Fig. 2)
- The mean Korean price rank was 2.6, with a median rank of 2 (range: 1–8, rank 1 = lowest price).
- After GDP-PPP adjustment, Korean prices remained, on average, **64.7% lower than U.S. prices**

Table 1: New drugs first-time reimbursed in Korea in 2025

Drug	Korean list price GDP-PPP adjusted (USD)	U.S. list price (USD)	Korean Price Discount vs. U.S.	MFN Price Rank (GDP adjusted)
Iptacopan (Fabhalta®) Capsule 200mg (56)	25,882.11	43,519.93	40.5%	1
Cabotegravir (Vocabria®/Cabenuva®) Injection 600mg	941.35	3,939.26	76.1%	1
Ocrelizumab (Ocrevus®) Injection 300mg	5,102.72	19,513.98	73.9%	1
Tislezumab (Tevimbra®) Injection 100mg	1,144.66	5,489.80	79.2%	1
Bimekizumab (Bimzelx®) Autoinjector 160mg (2)	1,521.14	13,352.49	88.6%	1
Nintedanib (Ofev®) Capsule 100 mg (60)	1,193.64	13,120.64	90.9%	1
Pirtobrutinib (Jaypirca®) Tablet 100 mg (56)	9,632.19	20,101.17	52.1%	2
Lebrikizumab (Ebglyss®) Autoinjector 250mg	903.85	2,814.07	68.0%	2
Tepotinib (Tepmetko®) Tablet (60)	4,356.56	24,311.10	82.1%	2
Riociguat (Adempas®) Tablet 1 mg (42)	710.34	5,784.85	87.7%	2
Ropeginterferon alfa-2b (Besremi®) Injection 0.5 mg	4,121.46	5,622.98	26.7%	3
Sacituzumab govitecan (Trodelvy®) Injection 200mg	998.78	2,247.13	55.6%	3
Odevixibat (Bylvay®) Capsule 0.4mg (30)	7,882.29	10,546.67	25.3%	5
Osilodrostat (Isturisa®) Tablet 5 mg (60)	7,486.84	28,415.64	73.7%	6
Pemigatinib (Pemazyre®) Tablet 4.5 mg (14)	9,273.94	18,744.25	50.5%	8

Fig. 1: Lowest MFN Benchmark Country

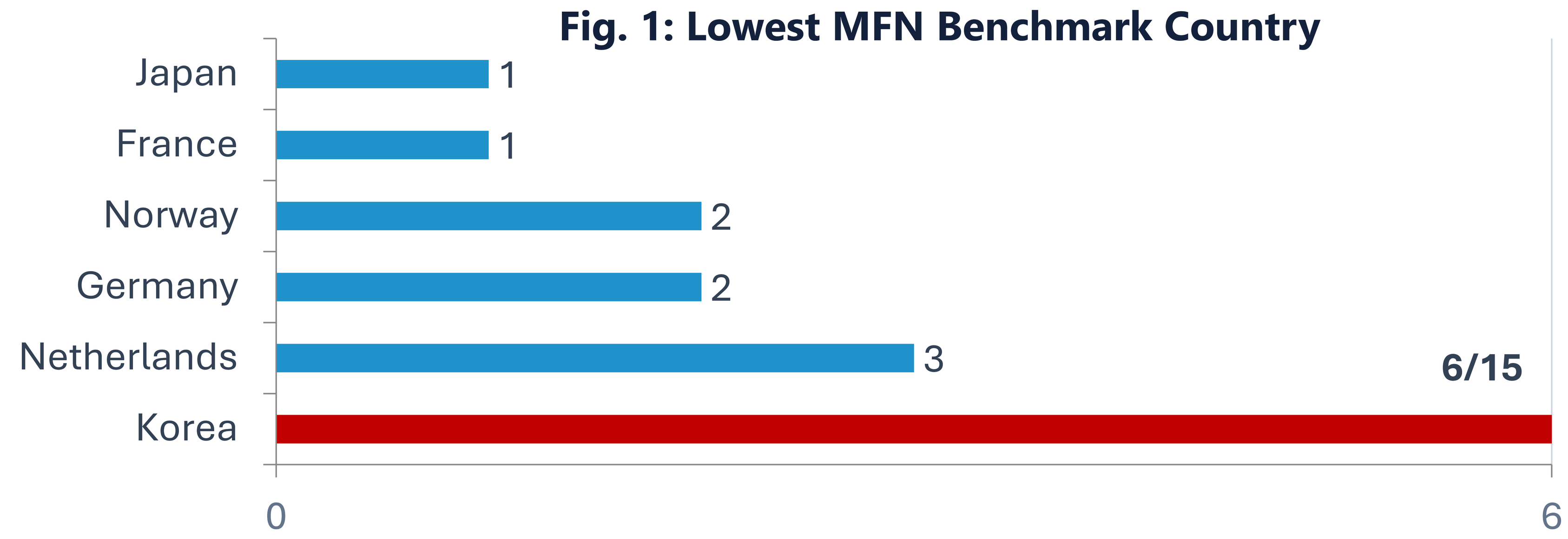
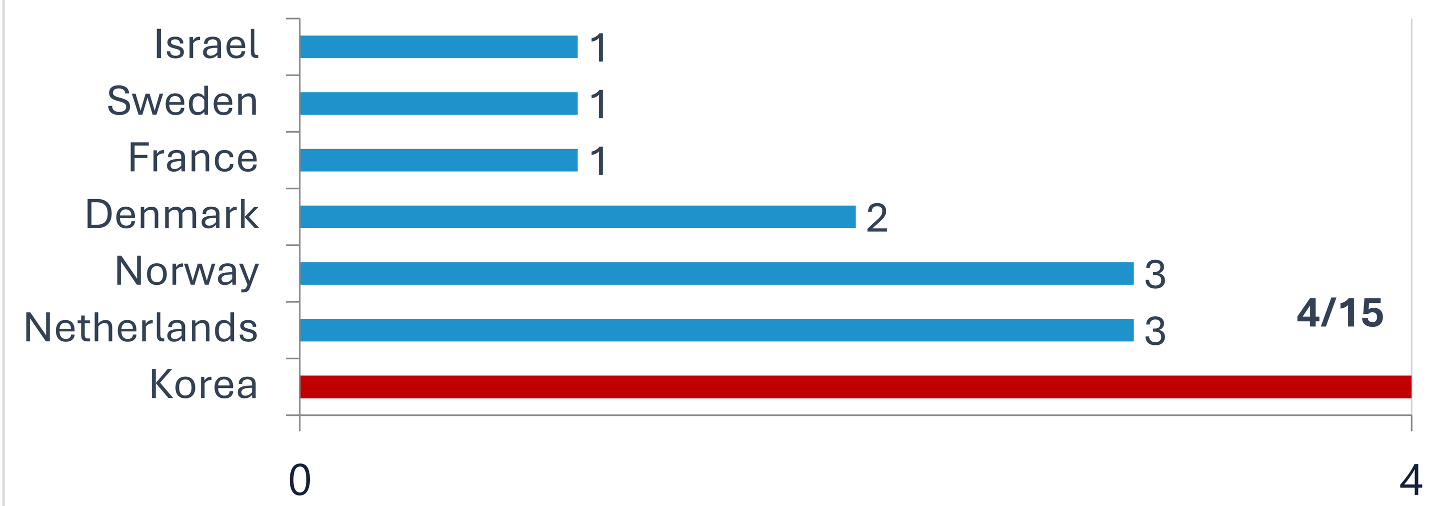


Fig. 2 Second-Lowest Priced Country



CONCLUSIONS

- Korea consistently occupies one of the lowest positions within MFN reference price distributions, potentially **increasing the risk of delayed market entry associated with U.S. price benchmarking**.
- Policymakers in Korea should consider **expanding the scope of flexible list pricing** eligibility to reduce the risk of launch de-prioritization driven by global MFN considerations.
- **Limitations:** This analysis evaluated potential exposure to launch sequencing risk based on relative price positioning and did not assess observed manufacturer launch decisions or actual launch delays.

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