



Written by [Veronika Kyrylenko](#) on February 13, 2026

Coalition Warns Congress Against Codifying Trump's Drug-pricing Scheme

A coalition of free-market and conservative organizations is urging Congress to reject legislation that would codify President Donald Trump's "Most Favored Nation" (MFN) prescription-drug-pricing regime. In a sharply worded [letter](#) sent on Thursday, the signatories argued that the proposal would import foreign price controls into the United States, undermine innovation, and ultimately strengthen China at America's expense.

The policy in question stems from Trump's [executive order](#) from last May directing federal agencies to tie the prices of certain prescription drugs in the United States to the lowest prices those same drugs receive in other developed nations, and to take regulatory, trade, and enforcement action if manufacturers refuse to comply. A bipartisan group of lawmakers is now moving to embed that directive permanently into federal law.

More than 50 organizations and policy leaders have signed on in opposition to codification. The list spans national advocacy groups, taxpayer associations, state-based policy institutes, market-oriented think tanks, and prominent leaders representing their respective institutions.

Not Stopping "Foreign Freeloading"

The coalition's first argument is that MFN would "do nothing to address" what Trump calls "foreign freeloading." It would, in fact, cement it.

The signatories acknowledge the imbalance. Wealthy countries often impose government price controls and pay less for prescription drugs. Americans frequently pay more. Supporters of MFN argue that tying U.S. prices to those lower foreign benchmarks would correct that disparity.

The coalition disagrees. "While supporters of this proposal correctly identify the unique problems facing the American health care system," the letter states, "MFN would not solve these problems. In fact, it would exacerbate them."

Their core argument is structural. If U.S. prices are pegged to those set by foreign governments, Washington does not force those governments to pay more. It accepts their pricing regimes as the reference point. The letter contends:

MFN would surrender to foreign freeloading by basing U.S. prices on the prices of countries



Dmitry Vorobyev/iStock/Getty Images Plus



Written by [Veronika Kyrylenko](#) on February 13, 2026

with socialist policies.

Supporters claim that manufacturers could respond by negotiating harder abroad; the coalition calls that a “flawed assumption.” According to the letter, there is often “little or no negotiation” with foreign governments. Companies face a “take-it-or-leave-it” proposition.

If firms attempt to withdraw products to gain leverage, governments could invoke compulsory licensing under [Article 5 of the Paris Convention](#) for the Protection of Industrial Property. If multiple firms withdraw, European Union regulators could allege a “cartel-like strategy,” triggering fines of up to 10 percent of global annual revenue.

In the coalition’s view, MFN does not confront foreign price suppression — it imports it.

Access and Innovation

Another point of the letter is that MFN would reduce access to new therapies:

If the U.S. implements the same price controls utilized by foreign countries, companies cannot expect to recuperate the R&D costs for the medicines they create. This will depress innovation and reduce cures available to patients while causing an unacceptable degree of drug shortages.

The coalition cites data from the Galen Institute indicating that patients in the United States had access to nearly 90 percent of new medical substances launched between 2011 and 2018. By contrast, the United Kingdom had access to 60 percent of those substances, Japan to 50 percent, Canada to 44 percent, and Spain to just 14 percent.

They also cite the Information Technology and Innovation Foundation (ITIF), which details the high attrition rates in drug development. Of 5,000 to 10,000 compounds screened during discovery, roughly 250 reach preclinical testing. Of those, only five advance to clinical testing. As little as 0.05 percent makes it from discovery to clinical trials, and of the drugs that begin clinical trials, only about 12 percent are approved by the Food and Drug Administration.

The letter emphasizes the financial risk. Developing a drug can require an average investment of \$2.6 billion over 11.5 to 15 years. Even approved drugs often fail to recoup their full costs.

The coalition argues that price controls would intensify those risks and dampen incentives for biomedical research.

Helping China

The letter widens its focus beyond patient access to geopolitics. It warns that MFN could weaken U.S. leadership in biotechnology at a time when China is expanding aggressively:

At a time when China is rapidly narrowing the innovation gap, causing our research and development to stagnate or fall would seal our fate as second-best in biotechnology.

The coalition cites ITIF data showing that China’s clinical-trial activity more than doubled, from 2,979 trials in 2017 to 6,497 in 2021. During the same period, U.S. trials grew only modestly, from 4,557 to 5,008.



Written by [Veronika Kyrylenko](#) on February 13, 2026

Chinese oncology trials surged 146 percent over those four years; the U.S. saw only a marginal increase in oncology trials. China's share of global pharmaceutical value-added output rose from 5.6 percent in 2002 to 24.2 percent in 2019. Meanwhile, Chinese biotech patent filings under the Patent Cooperation Treaty jumped more than 720 percent from 2013 to 2023, eventually exceeding the European Union's annual total.

The coalition presents these figures as evidence that the global race in biotechnology is tightening. They argue that codifying MFN would weaken the United States' position in that race.

The Push to Codify Price Controls

On May 20, 2025, Representatives Ro Khanna (D-Calif.), Anna Paulina Luna (R-Fla.), Marcy Kaptur (D-Ohio), and Andy Biggs (R-Ariz.) introduced the [Global Fairness in Drug Pricing Act](#). The measure would codify the core provisions of Trump's executive order into permanent law.

Co-sponsors frame the issue as one of fairness and national pride.

"Americans are getting ripped off," Khanna said in [announcing](#) the bill. "It's deeply unfair that we're paying significantly more for the same prescription drugs than people in other countries." He cited "bipartisan outrage" and called for swift legislative action.

Luna accused Big Pharma of "extort[ing] the sick and needy," and praised the executive order for ending what she called a "disgusting practice" of overcharging Americans.

Kaptur pointed to price differences across the Canadian border. "There is no reason my constituents should pay more for their medicine than our Canadian neighbors 59 miles away," she said.

The bill tracks the executive order closely and expands the authority of unconstitutional federal agencies. It directs the Department of Health and Human Services (HHS) to impose MNF price targets through rulemaking. It authorizes the Food and Drug Administration (FDA) to grant importation waivers for drugs from lower-priced countries. The bill empowers the Federal Trade Commission (FTC) and the Department of Justice (DOJ) to pursue anti-competitive conduct. And it facilitates direct-to-consumer sales at international benchmark prices and instructs trade officials to review foreign policies that allegedly shift research costs onto Americans.

In effect, the proposal would embed foreign-government pricing formulas into U.S. law, with Washington acting as the enforcement arm. Supporters call it fairness. Critics see a federally managed pricing regime that borrows heavily from the very state-controlled models it claims to correct.

Related:

[TrumpRx: Consumer Savings ... or Sellout?](#)

[Trump's Weight-loss Drug Deal: Cheaper Shots, But Is It MAHA?](#)



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.