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Trump Issues 60-Day Ultimatum to Drugmakers Over Prescription Prices

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Former President Donald Trump has given 17 of the largest pharmaceutical companies, including Pfizer and Moderna, a 60-day deadline to significantly lower prescription drug prices in the United States or face government-imposed consequences. The directive comes amid growing scrutiny over the stark cost disparity between medications in the U.S. and those in Europe.

According to a 2023 report from the Organisation for Economic Co-operation and Development (OECD), Americans spend an average of \$1,443 per person annually on pharmaceuticals—nearly 800% more than the \$487 per capita average in Europe. Experts point to a combination of minimal price regulation in the U.S. and high research and development expenses as key contributors to the inflated costs.

Trump's plan revives the "Most Favored Nation" pricing model, which was first introduced during his presidency in a 2020 proposal by the Centers for Medicare & Medicaid Services (CMS). The model seeks to cap the cost of Medicare Part B drugs at the lowest price paid by any developed country. Legal opposition, however, stalled the original plan before full implementation.

Now, with the renewed push, Trump aims to directly confront the pricing practices of pharmaceutical giants. The ultimatum is designed to pressure companies into aligning their U.S. drug prices with the global standard—or face regulatory and financial penalties.

This move also challenges the current dynamics of international pharmaceutical pricing. A 2021 study in *Health Affairs* estimated that foreign price control policies save countries with socialised healthcare systems approximately \$83 billion annually—costs often passed on to American consumers. By leveraging U.S. market power, Trump argues that it is time for other nations to bear a fairer share of the financial load.

The latest initiative is expected to spark debate not only among pharmaceutical leaders and policymakers, but also among voters frustrated with high out-of-pocket drug expenses. While some industry representatives have expressed concerns that pricing caps could reduce innovation, supporters argue the plan targets pricing fairness without compromising safety or quality.

The 60-day clock is now ticking for drugmakers to respond. Trump's team has not disclosed specific enforcement mechanisms but emphasized that failure to comply will result in action. The outcome could significantly reshape pharmaceutical pricing in the United States.