MFN Pricing Controls Threaten Patient Access, American Biotech Innovation

What is GLOBE?

The Global Benchmark for Efficient Drug Pricing (GLOBE) is a drug pricing "model" by the Centers for Medicare and Medicaid Services (CMS) that begins January 1, 2027. Also known as Most-Favored-Nation pricing, or MFN, the model requires biotech companies to pay mandatory rebates on certain Medicare Part B medicines provided to beneficiaries in selected areas of the country, using benchmarks based on foreign prices in countries with fundamentally different health systems.

Key Concerns:

Violates statutory and constitutional safeguards: Congress authorized CMS to test models that bear a genuine connection to both how Medicare pays for care and how that care is delivered. GLOBE does neither and blatantly ignores CMS's statutory and constitutional constraints to create a mandatory, seven-year-long "rebate" system. GLOBE does not purport to measure any change in how care is furnished or delivered.

Does not make medicines more affordable or accessible: A January 2026 analysis found that just 0.3% of Part B beneficiaries would see lower out-of-pocket costs under the GLOBE proposed rule. Additionally, GLOBE does not address the role of middlemen who capture half of every $1 spent on medicines and who ultimately decide what medicines patients can get and what they pay out of pocket.

Puts patients last (especially vulnerable populations): GLOBE essentially imports pricing practices from countries that ration healthcare and utilize a discriminatory methodology that devalues the lives of older adults, people with disabilities, and patients with chronic conditions. In addition, while the final rule exempts orphan-only treatments, medicines that treat both orphan and more common conditions remain subject to the rule, potentially limiting treatment options and discouraging continued research in hard-to-treat disease areas.

Importing foreign prices will have a devastating impact on American patients and biotech innovation.

MFN will jeopardize patient access to new treatments. More than 100 medicines approved in the U.S. over the last decade are not available in European countries. Patients in Europe experience delays of roughly two years before accessing new cancer therapies. Government price setting always delays or denies access to care.

MFN will risk vital funding for biotech R&D. Smaller biotechs often out-license their products to companies with the resources to commercialize them globally. But once licensed, they generally don't control prices set by other countries. GLOBE threatens an important source of R&D funding for smaller biotechs and penalizes them for decisions they can't control.

MFN will decimate America's biotech innovation ecosystem. Emerging biotech companies are responsible for 55% of new medicines, and they rely on private investment to fund years of risky clinical research. Imposing foreign pricing benchmarks on American medicines could reduce investment in biotech startups and hinder the development of new treatments and cures.

MFN will surrender American leadership to China. China's biopharmaceutical R&D investment increased 2,600% since 2000, and 30% of global clinical trials now originate in China. By driving investment out of American innovation, MFN will weaken U.S. leadership in biotechnology, increase our dependence on medicines developed in China, and undermine our national security.

A better solution:

Medicare Part B is vital to the well-being of more than 60 million beneficiaries who rely on innovative physician-administered medicines to treat life-threatening diseases. Instead of imposing foreign prices on American medicines, policymakers need to fix the real problems that make medicines unaffordable:

1. **Address perverse rebate incentives** that allow drug middlemen to profit off medicines with higher prices and force patients to pay more out of pocket.
2. **End abuse of the 340B program** that allows wealthy, tax-exempt hospitals to receive steep discounts on medicines and then charge massive markups – pocketing the difference.
3. **Stop foreign freeloading on American innovation** by using trade negotiations to force other countries to pay more of their fair share.

Bottom Line: Importing foreign prices into Medicare will not fix the underlying drivers of health care costs. Instead, it will deny American patients treatment options and drive medical research investments abroad at the expense of America's biotech innovators.