

Unintended Consequences of MFN Pricing: Global Access Risks and Revenue Impact

Eve Jamali, Daniel Bacheschi | US Access Strategy & Analytics, Precision AQ

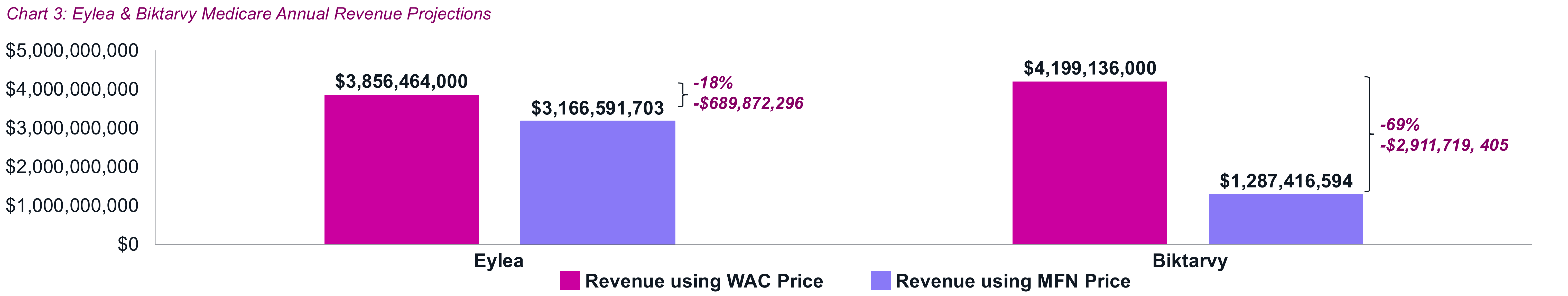
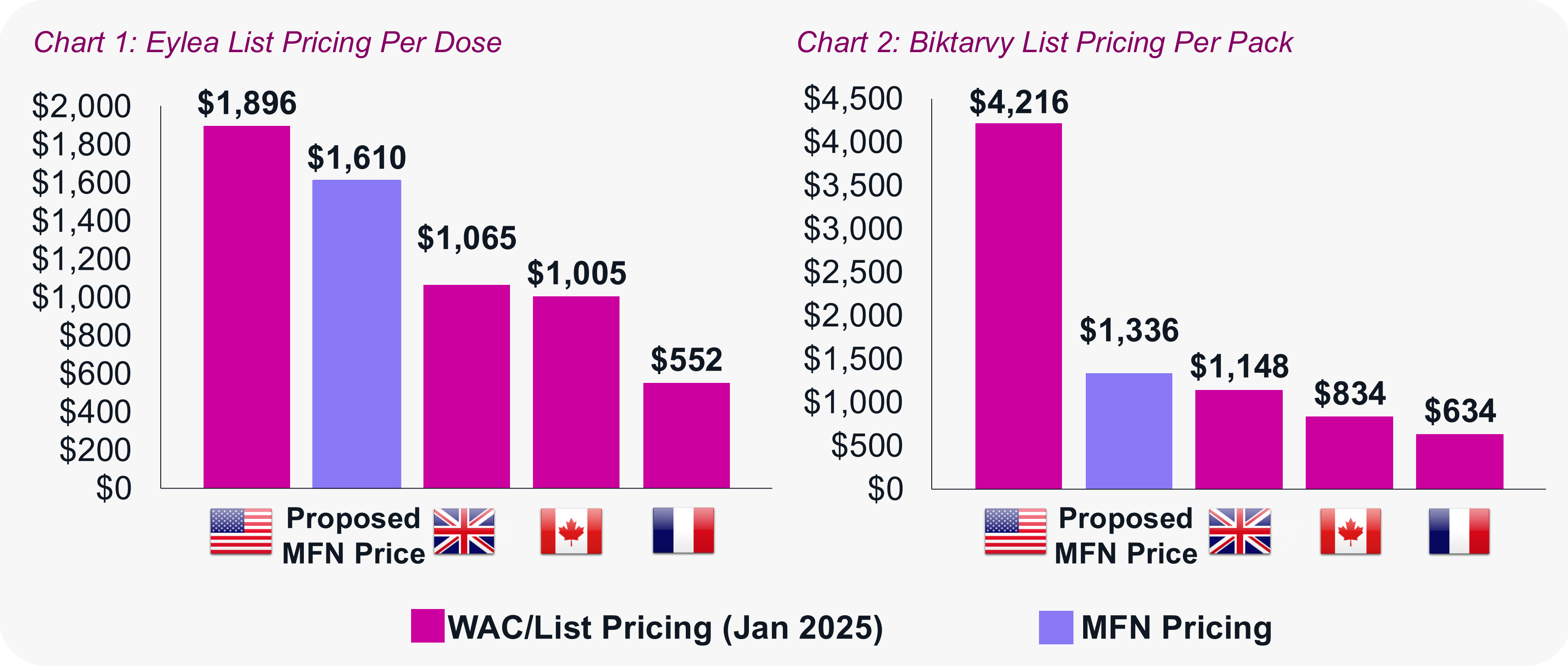
For further information, contact eve.jamali@precisionaq.com or visit us on <https://www.precisionaq.com>

INTRODUCTION	OBJECTIVE	METHODS
- Most Favored Nation pricing (MFN) pricing is a policy designed to reduce U.S. drug costs by referencing international benchmarks - MFN anchors U.S. prices to the lowest ex-factory price among OECD countries with GDP per capita ≥60% of the U.S. - Final guidance on MFN has not been published, but the approach introduces global pricing pressure and may reshape launch strategies for multiple drugs	- This analysis examines how MFN pricing model could reshape global launch strategies, by analyzing two high-expenditure Medicare drugs as examples if they proactively lower to MFN level pricing for Medicare population: - Eylea (for retinal disease) - Biktarvy (HIV treatment) - We assess how MFN pricing could reshape global launch strategies by analyzing Eylea and Biktarvy as examples. The focus is on estimating annual revenue impact from adjusting U.S. WAC prices to MFN levels, using Medicare-only utilization data - Broader implications for innovation and access are also considered	- MFN benchmark was assessed from 15 OECD countries with GDP per capita exceeding 60% of the US. For the illustrative MFN price and gross revenue impact analysis for Medicare population, we anchored our analysis to Canada’s price ratio (0.65) for both drugs, as the lowest GDP-adjusted price at the time of analysis - US wholesale prices (\$1,896 per Eylea dose; \$4,216 per month for Biktarvy) were compared to Canada (\$1,005 and \$834, respectively), France (\$552 and \$634, respectively) and the UK (\$1,065 and \$1,148, respectively) - Revenue estimates assumed annual use of 12 Biktarvy packs and 6 doses for Eylea. For the volume, 2023 Medicare real-world utilization data covering 339,000 Eylea and 83,000 Biktarvy beneficiaries

RESULTS

Insights At A Glance

- Anchoring to Canada’s reference, Eylea’s WAC would decrease by ~18% and Biktarvy’s by ~69% if they were to lower the WAC price to align with MFN pricing
- The MFN pricing of Eylea and Biktarvy would potentially result in estimated Medicare annual gross revenue losses of \$600M and over \$2B, respectively
- These estimates reflect gross revenue for Medicare only; actual net impact may vary due to confidential rebates and discounts



CONCLUSIONS

- The MFN pricing model exerts significant downward pressure on U.S. drug prices and is poised to reshape manufacturer strategies across global markets. Voluntary alignment is gaining momentum, evidenced by the **rise of direct-to-consumer platforms and MFN pricing commitments**.
- Manufacturers may respond by **implementing high list price strategies in ex-U.S. markets to safeguard U.S. margins**, even if they have to contract for steeper rebate concessions.
- To support higher Ex-U.S. pricing, differentiated submissions for Health Technology Assessment (HTA) reviews, underpinned by **more robust clinical and economic evidence, may become increasingly necessary**.
- Launch timing and geographic sequencing** may be strategically restructured to mitigate MFN exposure. Early signs of adaptation are already visible, including NICE’s potential reassessment of its QALY threshold, which could signal a broader recalibration of asset strategies in response to MFN pressures.

REFERENCES: cms.gov (spending dashboard); FirstWord PHARMA, “UK government mulls raising NICE cost-effectiveness threshold”, October 8, 2025; hhs.gov; Navlin (Canada price for Ontario region); ProspectoRx;
Abbreviations: MFN: Most Favored Nation; US: United States; UK: United Kingdom; NICE: National Institute for Health and Care Excellence; OECD: Organization for Economic Cooperation and Development; WAC: Wholesale Acquisition Cost