

# LEARNING FROM EUROPE'S MISTAKES

## Why Most Favored Nation Pricing Threatens American Patients

In the 1980s, European countries implemented strict pharmaceutical price controls and reference pricing systems to reduce healthcare costs. These policies tied drug prices to the lowest prices in other countries and imposed government-mandated price caps.

### WHAT HAPPENED NEXT

#### In the EU



Europe's share of global drug development **collapsed from 65% (1960s) to 18% (2004)**<sup>1</sup>



Between 1986–2004, EU price controls resulted in **46 fewer new drugs** and **32,000 lost R&D jobs**<sup>3</sup>

#### In the U.S.



The U.S. surged to **62% of global pharmaceutical innovation**<sup>2</sup>



U.S. firms now produce **1.8 times more new drugs** than EU firms (2014–2023)<sup>4</sup>

### EUROPEAN PATIENTS ARE PAYING THE PRICE

American patients access new medicines faster than European patients.<sup>5</sup>

**25 of 27 EU countries** have longer wait times for new medicines than the **U.S.**

**22 of 27 EU countries** experience delays exceeding **one year** for new treatments

**79% of new drugs** (2014–2022) were approved in the **U.S. first** — NOT Europe



**96% of cancer drugs** are available in the **U.S.** vs only **51–73% in EU countries**



**MFN pricing would import the same European price controls that caused these delays and access restrictions in the EU.**

## THE ULTIMATE COST — PROJECTED U.S. IMPACT



**117 fewer**

NEW MEDICINES

for patients over 19 years<sup>3</sup>



**4+ million**

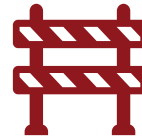
LIFE-YEARS LOST

annually<sup>9</sup>

## THE QALY PROBLEM

MFN pricing relies on foreign reference pricing systems that use **Quality-Adjusted Life Years (QALYs)** — a metric that systematically discriminates against:<sup>10</sup>

- Chronic disease patients
- Elderly patients
- Patients with disabilities
- Communities with health disparities



## THE BOTTOM LINE

Europe's experience with drug price controls offers a clear warning: Policies that seem to save money ultimately harm patients in the long term and devastate innovation for future treatments and cures.

**American patients currently enjoy:**

**Faster access** to new treatments

**Greater availability** of breakthrough therapies

**World-leading innovation** in medicines for chronic diseases like cancers and rare conditions

**MFN would put all of this at risk, repeating Europe's mistakes and importing their failures.**

**Better solutions exist. ►**

For more perspectives and resources:  
[fightchronicdisease.org/mfn](https://fightchronicdisease.org/mfn)



PARTNERSHIP TO FIGHT  
CHRONIC DISEASE

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