



Say YES to Medicaid Reform & NO to European Price Controls

TOPLINE: As the House Energy and Commerce Committee deliberates on how to reduce deficits under its jurisdiction by \$880 billion and fix our broken Medicaid system, President Trump has announced that he will impose price controls on drugs by Executive Order. While Medicaid needs reform, this measure would kill lifesaving innovation and make things [worse](#).

“Most Favored Nation” (MFN) Empowers European Socialists to Set American Prices:

- The proposed “Most Favored Nations” (MFN) plan would peg the price paid for Medicaid drugs to the lowest available price in several selected countries, including European countries that artificially lower prices with subsidies and outright price controls.
- MFN would cede decision-making about Medicaid payments to European socialists.
- This would allow foreign countries to game our healthcare payment systems.

Medicaid Has Grown Beyond Its Mission:

- Medicaid was created to target a much smaller portion of low-income Americans.
- When Medicaid was enacted in 1966, there were [19 million participants](#). Today, there are [78 million](#) Americans using the program for healthcare coverage.
- In 1966, Medicaid covered [9.7% of Americans](#). Today that number is 23%.

Medicaid Spending Is Out of Control:

- Medicaid’s costs are growing at an unsustainable rate because of increased participation, healthcare costs, program abuse and wasteful spending.
- Medicaid’s annual spending is now [projected to surge](#) over the next decade, growing by 51% from \$616 billion in 2023 to \$933 billion in 2034.
- Over the [next ten years](#) Medicaid is projected to spend \$7.46 trillion.

Price Controls Will Not Change Medicaid’s Unsustainable Structure:

- Enacting price controls does not help Medicaid recipients obtain better care.
- MFN will not reduce waste or require childless Medicaid recipients to work.
- The scheme does nothing to ensure that only the neediest are covered by Medicaid.
- This proposal will not lower the federal government’s unsustainable share of spending on Medicaid participants under Obamacare.

BOTTOMLINE: Rather than test the limits of executive authority with price controls on drugs, the White House should urge Congress to advance serious structural healthcare reforms.

