By importing price levels through a most-favored-nation model, the US would risk undermining its leadership in rare disease innovation and patient access

Analysis commissioned by the Rare Disease Company Coalition (RDCC) shows that countries with price controls face delayed and limited access to rare disease therapies. Longstanding US policy has incentivized rare disease treatment innovation and patient access.

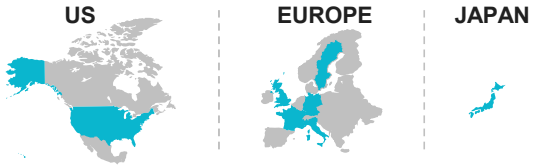
International price controls threaten orphan medicine access

Investment in orphan therapies is inherently challenging due to small patient populations and high development costs. In many high-income countries, administrative price setting and external reference pricing have contributed to delayed access to innovative treatments.

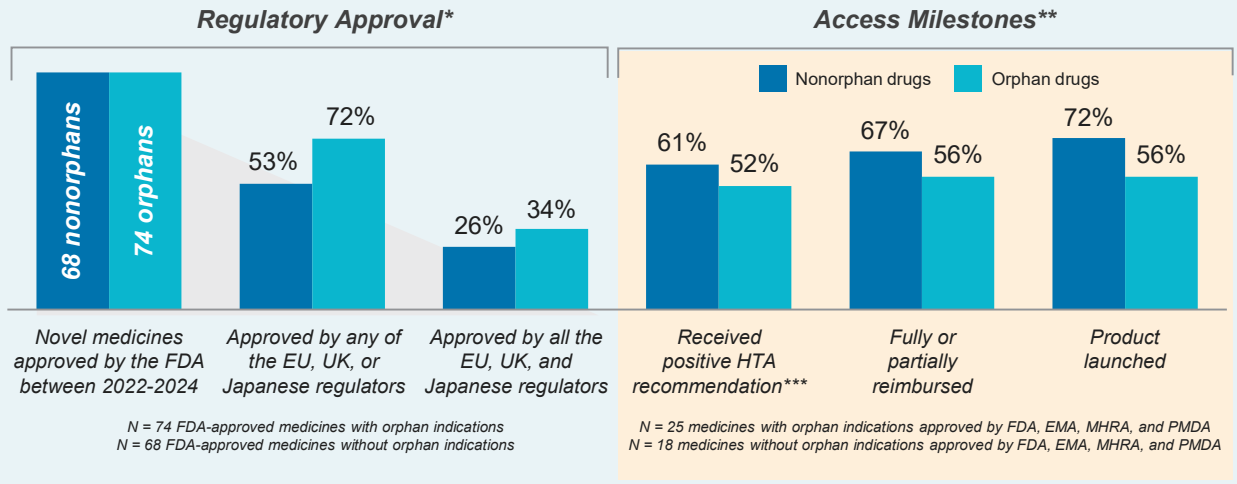
A US most-favored-nation (MFN) model risks replicating these challenges, undermining timely access for rare disease patients, eroding incentives that have historically enabled innovation, and discouraging future investment.

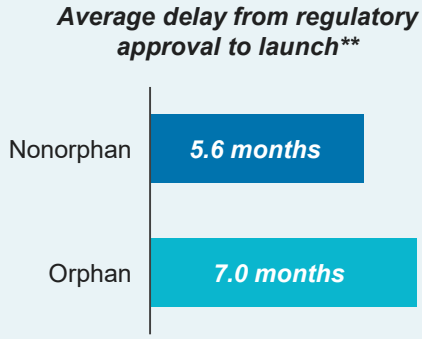
Our objective was to evaluate how international pricing frameworks affect access to rare disease therapies to inform US pricing policy

We analyzed 142 novel FDA approvals from 2022–2024, including 74 orphan therapies, across six high-income countries: England, France, Germany, Italy, Japan, and Sweden. The study compared timing of regulatory approvals, health technology assessments (HTA), and launches for orphan versus nonorphan drugs.



In the countries studied, orphan drugs were more likely than nonorphan drugs to gain regulatory approval, but less likely to be reimbursed or launched





- 1 in 4 orphan drugs approved by the FDA are not approved in Europe, England, or Japan
- FDA approvals came 4–6 months earlier than international regulators, with slightly greater leads for orphans
- Even after international approval, launches were delayed longer for orphans (7.0 vs. 5.6 months) due to public payor negotiations[1]
- Orphan drugs faced greater hurdles than nonorphans in securing reimbursement and launch abroad

Delays can have serious consequences, especially for children with life-threatening conditions[2]

** Products considered "not approved" by regulatory agencies may still be under review or in pricing and reimbursement negotiations outside the US as of July 30, 2025.; ** Cross-country averages shown for market access statistics, which vary by country; *** Japan excluded from HTA averages shown due to lack of data*

[1] Office of the Assistant Secretary for Planning and Evaluation. (2024). New drug availability and launch timing. U.S. Department of HHS.

[2] Dumbuya JS et al. (2025). The impact of rare diseases on quality of life in pediatric patients. Front Public Health, 13.

Abbreviations: EMA – European Medicines Agency; MHRA – UK's Medicines and Healthcare products Regulatory Agency; PMDA – Japan's Pharmaceuticals and Medical Devices Agency

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Implications of pricing and access policies for US orphan drug access

Other countries' pricing models hinder patient access to orphan medicines

- Patients wait longer for orphan drugs outside the US due to HTA and pricing reviews; delayed onset of treatment can lead to disease progression
- Countries requiring sequential steps for HTA assessment, reimbursement, and launch have longer timelines
- Price controls (budget caps, cost-per-QALY thresholds, external reference pricing) restrict eligibility to a limited set of patients, discouraging launches in smaller markets

Orphan medicines are even more negatively affected by restrictive pricing schemes compared to nonorphan medicines

- Disproportionately fewer orphan drugs are reimbursed than nonorphan medicines, especially in systems using cost-per-QALY thresholds (England, Sweden, Japan)
- Even with regulatory approval, strict eligibility, confidential discounts, clawbacks, and reimbursement denials limit effective access
- An MFN policy would import these same limitations to the US by embedding foreign QALY thresholds and compressing margins for orphan drugs

There will be less investment, including in the US, in orphan medicines if external reference-based pricing models are adopted

- The US was the first-to-launch market for 78% of novel orphan drugs and remains the only market to date for 28% of them, reflecting weaker incentives to launch abroad
- Orphan drugs approved in the US are more likely than nonorphans to achieve subsequent authorization by international regulators (72% vs. 53% for nonorphans)
- Tying US drug prices to international frameworks would shrink revenues, especially for rare diseases, risking fewer launches, stalled innovation, and weakened US leadership in rare disease innovation and patient access to breakthrough therapies

Exempting orphans from MFN would align with the longstanding US policy designed to incentivize rare disease drug development

MFN risks importing foreign restrictions into the US, jeopardizing timely access for vulnerable patients and undermining rare disease innovation.

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Detailed methods, findings, and recommendations are provided in the accompanying paper.

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