

CAPITOL STREET

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“Great Healthcare Plan” Would Codify Most Favored Nation

Trump’s Populist Plan Excludes Hospital Policies: ACA Subsidies to Consumers, CSRs, PBM Reform

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There isn’t much new in Trump’s Great Healthcare Plan save for codifying Most Favored Nation.

President Trump’s “Great Healthcare Plan” was unveiled today ([here](#) and [here](#)). The proposal doesn’t break new ground, save for new health insurer transparency requirements around prior auth denials and the % of their revenues that are paid out to claims. This is largely a package of existing policies/ideas such as providing ACA subsidies direct to consumers (HSAs), funding of cost-sharing reduction payments (CSRs), and PBM reform.

These populist ideas are being floated ahead of the mid-term elections, as must pass bills (CR, Extenders) approach on Jan 31. Or, would the ideas be a part of Reconciliation 2.0? There is a conspiracy theory in Washington that if the White House loses on tariffs they will push Republicans to pursue Reconciliation “one more time” given mid terms. Many of the policies would require approval of Congress and are already being discussed by lawmakers ([here](#)).

»» Key Points

LOWERING DRUG PRICES

Codifying Most-Favored-Nation (MFN) into law likely involves GLOBE, GUARD, GENEROUS, but the details here are thin. Voluntary negotiated deals with HHS/CMS will be grandfathered in. Legalizing the federal government’s demand on international pricing parity would have widespread industry impact beyond the 17 MFN agreements, but it remains unclear how this would be achieved. In 2025, there were several MFN proposals floated and summaries are below. We believe the odds of this occurring this year are slim to none, but the Trump administration continues to focus on drug pricing as their crown jewel for affordability.

- Sen. Cassidy (R-LA) worked on an MFN in Medicare [legislation](#). The bill could create a claw back mechanism that targets manufacturers that sell “high spend drugs” in covered countries at prices below the calculated minimum per-unit price. CMS would create a recurring list of top 50 Medicare drugs by total expenditures and an annual list of “covered countries” with economies of comparable scale to the U.S. (GDP ≥ 3% of U.S. GDP).

- A MFN bill was introduced by Sens. Hawley (R-MO) and Welch (D-VT), which would set a retail list price cap of average prices collected from Canada, France, Germany, Italy, Japan and the UK. It would require manufacturers to submit pricing data annually in order to make those calculations.
- Another MFN bill was introduced by Sens. Merkley (D-OR), Peter Welch (D-VT), Bernie Sanders (I-VT) and Rep. Debbie Dingell (D-MI). It would set list price limits by determining the lowest list price for the drug among the reference countries (Australia, Austria, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the UK). It would allow an appropriate price to be made based on the value and therapeutic effect if no prices are available.

More pharmaceutical drugs would be available for over-the-counter (OTC) purchase. Trump's focus on increasing drug access directly to patients continues. This proposal would eliminate prescription requirements for certain drug products, likely via legislation to reduce regulatory burden for "Rx-to-OTC switches". The administration claims this will lower healthcare costs and increase consumer choice by "strengthening price transparency, increasing competition, and reducing the need for costly and time-consuming doctor's visits."

LOWERING INSURANCE PREMIUMS

HSA/FSA options. The Plan stops "sending big insurance companies billions in extra taxpayer-funded subsidy payments" and instead sends that money directly to eligible Americans to allow them to buy the health insurance of their choice.

Funding CSRs. The Plan funds a cost-sharing reduction (CSR) program for healthcare plans, which would save taxpayers at least \$36 B and reduce the most common Obamacare plan premiums by over 10% according to the Congressional Budget Office.

PBM Reform. We believe this will pass into law asap, as it has bipartisan support and offsets policies like extenders at the end of this month. The Plan will end the "kickbacks" paid by PBMs through legislative reform on rebates. As a reminder, potential PBM reforms that were previously being considered include those on Medicare Part D pass through requirements. See our past analysis [here](#).

HOLDING BIG INSURANCE COMPANIES ACCOUNTABLE

A new "Plain English" insurance standard would require health insurance companies to publish rate and coverage comparisons upfront on their websites in plain English—not industry jargon—so consumers can make better insurance purchasing decisions.

Health insurance companies would publish MLRs, the percentage of their revenues that are paid out to claims versus overhead costs and profits on their websites.

Prior authorization denials would also be published. Health insurers would publish the percentage of insurance claims they reject and average wait times for routine care on their websites.

MAXIMIZING PRICE TRANSPARENCY

The Plan builds on price transparency efforts. The Great Healthcare Plan requires all healthcare providers and insurers to "answer to their patients up front on the prices they will be charged—restoring accountability,

transparency, and rightly giving power back to patients." The Trump Administration lists the following goals on its website, "publish costs of overhead vs. claim rates, display claim denial rates, post prices on the wall."

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