

CAPITOL STREET

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Final Major MFN Deal Inked with REGN

Regeneron Offers Free Newly-Approved Gene Therapy (Otarmeni)

Relevant Companies ALL BIOPHARMA

»» Our Take & Next Up

President Trump announced a Most Favored Nation (MFN) agreement with Regeneron ([here](#) and [here](#)), marking the final holdout among the original group of 17 companies the White House had pressed to reduce drug prices. The REGN deal is bespoke, similar to the prior MFN deals, but follows the framework of MFN pricing on new launches, MFN in Medicaid, DTC access (TrumpRx), and a \$27 B domestic manufacturing commitment in exchange for 3 years of Sec. 232 tariff exemption.

The White House announced it is currently doing three things (1) negotiating with hundreds of biotech companies, (2) negotiating international trade deals, and (3) pushing Congress to pass MFN into law, according to comments from HHS Deputy Chris Klomp at the Oval Office ceremony heralding the REGN agreement this afternoon.

»» Key Points

This makes 17 MFN deals with somewhat limited portfolio impact (our takes [here](#), [here](#), [here](#), and [here](#)). Sec. 232 tariffs have been announced since a majority of the deals were inked in 2025, but the April EO ([here](#)) contains significant exemptions (our take [here](#)). We note that other biopharma companies are seeking to engage with the Trump administration to secure additional MFN agreements.

Under the MFN deal, REGN will sell cholesterol drug Praluent on TrumpRX for \$225, down from ~\$537. The deal reflects other MFN agreements: MFN prices in Medicaid, participation in TrumpRx, MFN prices for future launches globally, and investments in domestic R&D and manufacturing capacity.

Otarmeni, a newly approved gene therapy for a rare form of pediatric hearing loss, will be available for free in the US (but not free forever). REGN announced the approval of Otarmeni via the Commissioner's National Priority Voucher (CNPV) accelerated review process earlier today ([here](#)). We note that this is a fairly rare form (~8%) of congenital hearing loss and while the product may be free today, it is unlikely to be free forever. Product will be provided via Regeneron's OnPath with OTARMENI patient support program.

The 17 drugmakers – including Regeneron – who made MFN deals with the White House will be exempt from the 100% pharma tariff (until January 2029). Recall, MFN deals have been announced with AbbVie, Amgen, AstraZeneca, Boehringer Ingelheim, Bristol Myers Squibb, EMD Serono, Eli Lilly, Genentech, Gilead Sciences, GSK, Johnson & Johnson, Merck, Novartis, Novo Nordisk, Pfizer, and Sanofi (our takes [here](#), [here](#), [here](#), and [here](#)).

- **Significant exemptions were included in President Trump’s April 2 Executive Order (EO) implementing Sec. 232 tariffs of 100% on imported pharmaceuticals and their active ingredients.** Our take [here](#).
- **While the full impact of the Pharma 232 tariff remains to be seen, key exemptions include cell and gene, orphan, and antibody drug conjugates (ADCs).** The tariff will go into effect in 120 days for certain large companies, and 180 days for smaller companies (our take [here](#)).
- **Smaller biotech and pharma companies are engaging with the White House with hopes of securing additional MFN agreements.** With the mandatory MFN models, GUARD & GLOBE, and the tariff risk, we expect the next layer of Biopharma companies (AInylam, BioMarin, Incyte, Alkermes and others in the Midsized Biotech Alliance [here](#)) will engage with the administration. The tariff risk is likely higher for companies focused on small molecules and those without orphan products (no exemptions).

OUTLOOK

MFN and China are inextricably linked. As pharmaceutical companies weigh pending launches oUS, MFN is coming into play. This means that companies that may have launched in Europe or elsewhere may think twice, understanding pricing implications in the US. Given China’s rich pharmaceutical ecosystem, we could see those China-based medicines “fill the gap” in Europe and other countries.

Separately, we are waiting for CMS 2029 negotiation proposed rules, which could be released any day now. MFN efforts so far have focused on CMMI demos (GLOBE, GUARD, GENEROUS). CMS could formally propose the inclusion of MFN prices as negotiation factors; however, it will draw significant pushback as it is not included in the law. It is unlikely to be implemented as it leaves the admin open to be sued for overstepping their statutory authority (Loper Bright). As a reminder, CMS chose not to change the fixed combination drug policy in the final 2028 guidance ([here](#)), but may reverse course 2029+.

The White House continues to push for codification of their MFN agreement terms (unlikely in 2026) as Congressional Democrats seek deal transparency. We have said that codifying MFN into law is unlikely in 2026. However, the idea is gaining bipartisan support, meaning MFN headwinds will extend into the next Congress and Administration (our take [here](#)). At the same time, Dems in the House and Senate are pushing the WH for details on the MFN deals ([here](#)), but have been rebuffed by the administration due to the inclusion of proprietary information. We expect full details of the deals to become transparent in due time with oversight hearings after the midterm elections in November.

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