

New Executive Order Addresses Lowering Drug Prices

On April 15, 2025, President Trump issued an Executive Order (EO 14273) directing federal agencies to propose regulations or make recommendations to provide access to prescription drugs at lower costs.

While the bulk of the EO pertains to lowering Medicare drug prices, this summary highlights aspects of the EO that may be relevant to employer-sponsored group health plans and their covered participants.

■ EO 14273 Directives

Within 90 days of the date of the EO (by July 14, 2025), the relevant agencies shall provide recommendations to the President on how best to advance a more competitive, efficient, transparent, and resilient pharmaceutical supply chain that delivers lower drug prices to consumers.

Within 180 days of the date of the EO (by October 12, 2025):

- The Department of Labor shall propose regulations to improve employer health plan fiduciary transparency into the direct and indirect compensation received by pharmacy benefit managers (“PBMs”).
- The Food and Drug Administration shall issue a report providing administrative and legislative recommendations to:

- Accelerate approval of generics, biosimilars, combination products, and second-in-class brand name medications; and
- Improve the process through which prescription drugs can be reclassified as over-the-counter medications, including recommendations to optimally identify prescription drugs that can be safely provided to patients over the counter.
- The Department of Health and Human Services, the Department of Justice, the Department of Commerce, and the Federal Trade Commission shall conduct joint public listening sessions and issue a report with recommendations to reduce anti-competitive behavior from pharmaceutical manufacturers.

■ Employer Action

At this time, there are no immediate action items for employers.

Since the EO has given the relevant agencies their marching orders to develop new regulations and other guidance on these issues, in the next 3-6 months we may see new proposed rules that could impact employer health plans.

We will continue to monitor these developments and provide updates as new information becomes available.