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by Valerís

“Net First” Pricing: Is it an Impending Strategic Imperative or a Policy-Induced Mirage?

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Introduction

Market access has become one of the most critical determinants of a successful pharmaceutical launch in the United States. However, developing an effective market access strategy has grown significantly more complex over the past decade. Rising healthcare costs, gaps in coverage from traditional health plans, and margin pressures for manufacturers have accelerated complexity as well as the demand for solutions that best serve patients and support industry-wide innovation.

Historically, the expectation from key value stakeholders was clear – enable rebates across the value chain to unlock access and minimize management. For many years, the GTN bubble grew, perhaps to unsustainable levels on this basis. Could recent market evolution (e.g., policy, alternative channels) potentially signal the end of the "high list, high rebate" era, as stakeholders across the value chain demand lower costs and better value from therapeutics? Alternatively, is this just another fleeting scenario tied to the ever-evolving policy landscape?

- **Policy Drivers:** Recent policy developments are accelerating pressure toward a lower list-price, lower-rebate - "net-first" - pricing model. Policies such as Most-Favored Nations (MFN) pricing—linking U.S. prices to the lowest prices paid in other developed countries—have gained traction under the current administration. In May 2025, an Executive Order introduced MFN pricing principles and emphasized efforts to "remove the middleman" in pharmaceutical pricing. This was followed by letters sent to major pharmaceutical companies in July 2025 reinforcing demands for MFN pricing. In the months that followed, the administration launched TrumpRx, a cash-price aggregation platform, and advanced several CMMI pilot programs (e.g., GLOBE and GUARD) designed to test MFN-aligned pricing models in select government channels.

  Further, the Consolidated Appropriations Act of 2026 and a landmark FTC settlement with Express Scripts signal potential reform of the PBM rebate model. The legislation requires 100% rebate pass-through to health plans and promotes a transition toward flat-fee PBM compensation structures to increase pricing transparency. In parallel, the FTC settlement is expected to introduce a standard formulary offering that does not prioritize high list-price, high-rebate therapies.

  These recent policy developments compound the drug pricing pressure introduced by the prior administration through the Inflation Reduction Act. Together, these policy shifts are increasing momentum toward a potential "net-first" pricing framework in the U.S. pharmaceutical market.

- **Alternative Channels:** New access models beyond traditional channels—such as Direct-to-Patient (DTP), Direct-to-Employer (DTE), Cost Plus, and Cash Pay—have also emerged in response to shifting market dynamics and are enabling patient access at potentially lower net prices. Historically, PBMs and some health plans favored high list-price, high-rebate structures. In contrast, these alternative channels give patients greater autonomy to compare and select lower-cost options for their therapies. As these models gain traction, they are expanding viable pathways for manufacturers to adopt lower list-price—or "net-first"—pricing strategies that were previously difficult to implement at scale.

This white paper series will explore the factors that may be moving the industry towards a radical shift away from list prices and where a lower list, lower rebate strategy could meaningfully improve access, and as importantly, where it should not be employed. We'll seek to understand if the 'lower list, lower rebate' strategy is a meaningful go-forward approach or just a current pharma pricing trend.

Check back between now and Asembia 2026 for each installation of this series.

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