Title: TrumpRx: What Pharmacies and Plan Sponsors Need to Know

Brief Overview: Earlier this week, the Trump administration unveiled a new drug pricing initiative, widely referred to as "TrumpRx."

While the headlines surrounding TrumpRx focus on political theater, the reality is more complex—and the ripple effects will impact pharmacies, plan sponsors, and Pharmacy Benefit Managers (PBMs) in very different ways.

Read more about the administration's actions towards drug pricing thus far and what TrumpRx truly entails for each stakeholder in the drug pricing ecosystem.

Full Article: Last week, the Trump administration unveiled a new drug pricing initiative, widely referred to as "TrumpRx." At its core, TrumpRx—which is to be available through TrumpRx.gov and is expected to launch sometime in 2026—is defined by two key pillars: (1) a government-run portal aimed at steering patients directly to a manufacturer's direct-to-consumer (DTC) website to purchase medications out-of-pocket (i.e., without going through their insurance) at discounted rates set by the government; and (2) hardball trade and pricing tactics aimed at forcing concessions from drug manufacturers.

While the headlines surrounding TrumpRx focus on political theater, the reality is more complex—and the ripple effects will impact pharmacies, plan sponsors, and Pharmacy Benefit Managers (PBMs) in very different ways. This article explains the administration's actions towards drug pricing thus far and what TrumpRx truly entails for each stakeholder in the drug pricing ecosystem, helping you better understand the associated risks and opportunities.

The Opening Moves on Drug Pricing

The Inflation Reduction Act (IRA), passed in 2022 during the Biden administration, requires drug manufacturers of certain drugs to pay rebates to Medicare if prices rise faster than the rate of inflation. It also grants the federal government the authority to negotiate prices for a select number of high-spend Medicare Part D and Part B drugs, setting a maximum fair price (MFP). The MFP for the initial list of ten drugs has already been announced and is set to begin in 2026.

While the provisions of the IRA are limited, their impact will be felt indirectly across the commercial market. For example, manufacturers are unlikely to offer deeper discounts in the employer-sponsored or commercial sectors while absorbing mandated Medicare cuts. Additionally, negotiated prices will serve as public benchmarks, creating new reference points that employers and PBMs will be pressured to incorporate into negotiations. Overall, the IRA represents a permanent downward pressure on branded drug revenues, which will inevitably influence pricing strategies across all payers.

Apart from the IRA, in May 2025, the Trump administration revived an idea first floated in 2020 by issuing an Executive Order (EO) entitled "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients." This EO outlined a series of actions aligned with the administration's "most favored nation" (MFN) drug pricing strategy, which seeks to align U.S. prescription drug prices with the lowest prices charged for the same medications in other developed countries. In the months since EO issuance, the Trump administration has pursued or otherwise announced policy measures dealing with drug pricing. This includes a 100% tariff on brand-name and patented pharmaceutical products, unless a company commits to building its manufacturing plant in the U.S., though the tariff currently appears to remain unenforced.

On September 30, the administration announced the details of its first negotiated deal with Pfizer, which grants every State Medicaid program access to MFN drug prices on Pfizer products and ensures MFN prices for all new medicines introduced by Pfizer. Additionally, Pfizer is said to be required to repatriate increased foreign revenue from existing products due to U.S. trade policies and to offer medicines at substantial discounts when selling directly to U.S. patients.

While broad MFN implementation faces legal and logistical hurdles (e.g., conflicts with the IRA and other federal pricing frameworks such as the 340B Drug Discount Program or the Medicaid Drug Rebate Program) and has yet to be formalized through binding regulation, its role as a negotiation tool remains influential, pressuring

manufacturers to lower U.S. prices or expand patient-facing discounts. If Medicare ultimately adopts lower MFN-style prices, the commercial market will struggle to justify significantly higher costs. That dynamic will give employers more leverage in PBM negotiations but also risks accelerating manufacturers' attempts to limit distribution channels or shift costs elsewhere to protect their margins.

The TrumpRx Portal: A Return to Cash-Pay Competition and Pricing Pressure

As noted, TrumpRx is characterized by two key pillars: a government-run portal to steer patients to manufacturers' DTC websites to purchase medications without using insurance, as well as trade and pricing tactics aimed at forcing drug manufacturer concessions.

As to the first key pillar, TrumpRx marks a significant return toward cash-pay dynamics and, in turn, creates challenges in balancing acquisition costs, which are tied to wholesaler pricing, against patient expectations shaped by government-advertised discounts. For pharmacies, this means direct competition with drug manufacturers for certain prescriptions. Pharmacies may also encounter patients arriving at the counter and requesting price matching to the discounted cash price in the portal. If pharmacies cannot match the TrumpRx price, they risk losing fills.

For plan sponsors, the portal creates a two-market problem. Members who bypass their insurance to purchase through TrumpRx will save money individually, but the plan itself loses visibility into drug utilization. This erodes data capture that employers need for care management, adherence monitoring, and formulary strategy. In effect, while members may save at the counter, the plan loses critical insights, and total drug spend may become more unpredictable.

The second key pillar of TrumpRx involves tariff threats on imported pharmaceuticals, especially from China and India, which are then used as leverage to encourage domestic investment and consumer-facing discounts. This further pressures manufacturers to adjust their pricing which, if successful, would inevitably create new benchmarks that plan sponsors will expect in commercial negotiations. If negotiations fail, tariffs could become even more likely, driving up acquisition costs for certain categories of drugs, especially generics. For pharmacies, this creates uncertainty, as acquisition costs may fluctuate depending on tariff outcomes. Comparatively, for plan sponsors and employers, drug spend projections become increasingly unpredictable across therapeutic categories, with some products potentially experiencing significant discounts while others remain unaffected.

The administration's strategic use of these two pillars already appear to be successful, at least in part, in reducing certain drug prices. Shortly after the announcement of TrumpRx, the administration also announced that it had reached its first high-profile agreement for the portal with Pfizer in exchange for temporary relief from proposed tariffs on imported medicines. In fact, though specific terms of the agreement remain confidential, Pfizer itself announced that its "primary care treatments and some select specialty brands will be offered at savings that will range as high as 85% and on average 50%." Similar deals with other drugmakers are also said to be in the works.

Impact on Pharmacies: Channel Displacement and Audit Risk

The real impact of TrumpRx on pharmacies is not simply margin compression—it is channel displacement and audit exposure. When manufacturers sell directly to patients through TrumpRx, those prescriptions can bypass the pharmacy entirely. In turn, pharmacies, particularly independent pharmacies, could see patients migrate to manufacturer portals if they cannot match cash pricing or if manufacturers restrict portal-discounted products to direct fulfillment through TrumpRx.

For pharmacies that continue dispensing affected drugs, risks also come from PBM audits. Whenever a new discount pathway is introduced—whether through coupons, chargebacks, or manufacturer cash programs—PBMs increase scrutiny against pharmacies significantly. In fact, pharmacies will be expected to document with precision acquisition costs, coupon applications, and any overrides. Failure to do so can trigger recoupments, clawbacks, or even network termination by PBMs.

Specialty pharmacies also face heightened risk as high-spend biologics are likely candidates for TrumpRx

discounting. If such products shift to DTC channels, specialty pharmacies could drastically lose patient volume. Comparatively, however, if patients do remain in network but under modified pricing structures, documentation requirements will become even more stringent.

In short, TrumpRx is not targeted at pharmacy reimbursement margins. Nevertheless, it does create significant concerns surrounding whether pharmacies can remain a part of the supply chain for the affected drugs, and whether they can survive intensified audit scrutiny on the drugs that remain.

Impact on Plan Sponsors: Data, Visibility, and Fiduciary Duties

For plan sponsors, the TrumpRx environment raises serious fiduciary concerns. The Consolidated Appropriations Act (CAA) of 2021 requires employers to demonstrate prudence in managing health plan assets, including prescription drug spend. If employees increasingly bypass the plan by using TrumpRx, sponsors risk losing the data necessary to prove they are meeting their fiduciary obligations.

Additionally, the existence of government-advertised discounts will make employees question why their employer-sponsored plan cannot deliver similar pricing. This transparency gap will put pressure on human resource leaders and benefits committees to renegotiate PBM contracts. Employers will also need to demand point-of-sale discounts, greater visibility into PBM-affiliated rebate aggregators, and full disclosure of fees and spreads.

Moreover, direct purchase arrangements, carve-outs and alternative funding models may gain traction as employers search for ways to mirror the patient-facing savings offered by TrumpRx. However, these arrangements must be designed carefully to avoid compliance pitfalls, particularly around Employee Retirement Income Security Act (ERISA) and state insurance law.

Impact on PBMs: A Model Under Siege

For years, PBMs have relied on back-end manufacturer rebates to subsidize formulary access and generate revenue. TrumpRx undermines that model by shifting value to the front end, where patients see discounts directly. In fact, if more manufacturers base their discounts on government-negotiated cash prices through TrumpRx, PBMs will find it difficult to justify their rebates as cost-saving measures. This may weaken their position with insurers, who may then push for a larger share of the negotiated savings to be passed on to them. In other words, PBMs bargaining power could be significantly diminished.

The political and legal environment surrounding PBMs is already hostile. This is further exemplified by the Federal Trade Commission's lawsuits challenging their rebate practices and those of their affiliated group purchasing organizations (GPOs). The administration's focus on consumer-visible discounts further intensifies scrutiny. Additionally, employers are increasingly skeptical of opaque rebate arrangements. With TrumpRx showcasing an alternative—discounts that patients can see and touch—the traditional PBM value proposition appears to grow weaker by the day.

Rebate Aggregators in the Crosshairs

PBM-affiliated rebate aggregators have also drawn regulatory scrutiny. These entities pool purchasing power to negotiate rebates on behalf of multiple PBMs, creating another layer of opacity. The FTC has already flagged concerns that these arrangements limit competition and inflate costs.

TrumpRx accelerates the scrutiny surrounding PBM-affiliated rebate aggregators. For example, if discounts flow directly to patients through a government portal, the rationale for complex rebate aggregation becomes less compelling with employers questioning why value is being routed through multi-billion-dollar GPOs instead of being delivered transparently at the point-of-sale.

For plan sponsors, this is the critical moment to insist on full contractual transparency regarding rebate aggregator arrangements with PBMs. Any reluctance to provide this clarity should be met with skepticism and extreme caution.

How We Can Help

TrumpRx will not instantly dismantle the PBM model or otherwise shift the entire drug supply chain overnight, but it represents a clear shift toward consumer-facing value and away from back-end rebate economics. Pharmacies and plan sponsors that cling to outdated strategies risk being squeezed by shrinking margins and mounting fiduciary risk and exposure.

Buchanan's Life Sciences Industry Group, including its PBM Audit Defense & Contract Services team, works with both pharmacies and plan sponsors to navigate this ever-evolving landscape. For pharmacies, this includes designing cash pricing strategies, building audit-defense playbooks, and helping position you competitively against other entities. For plan sponsors, we renegotiate PBM contracts, pierce through opaque rebate aggregator arrangements, and develop alternative funding strategies that deliver real savings while fulfilling fiduciary duties.

The TrumpRx era is here, and its impact on pharmacies and plan sponsors is tangible and very real. Those who act now—by tightening compliance, demanding transparency, and embracing front-end value delivery—will be best positioned to adapt, thrive, and seize new opportunities in this changing environment.

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