



October 10, 2025

Secretary Howard Lutnick
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Re: Comments of the Healthcare Supply Chain Association (HSCA) on Section 232 National Security Investigation of Imports of Personal Protective Equipment, Medical Consumables, and Medical Equipment and Devices

Dear Secretary Lutnick,

On behalf of the Healthcare Supply Chain Association (HSCA), which represents the nation's leading traditional healthcare group purchasing organizations (GPOs), we appreciate the opportunity to provide comments to the U.S. Department of Commerce on its Section 232 national security investigation into imports of personal protective equipment (PPE), medical consumables, and medical equipment and devices. HSCA looks forward to working with you and the Trump Administration to strengthen the domestic medical supply chain and ensure a consistent supply of critical medical products for patients. However, we are concerned that imposing tariffs could disrupt the healthcare supply chain, constrain the limited resources of providers, and ultimately hinder patient access to care. If tariffs must be imposed, additional protections are necessary to safeguard the healthcare sector from disruption and prevent patient harm.

Initially formed in the early 1900s, traditional healthcare GPOs drive competition among suppliers, aggregate purchasing volume on behalf of healthcare providers, and reduce healthcare costs. HSCA member GPOs serve as the sourcing and contracting partners to hospitals, long-term care facilities, surgery centers, clinics, and other healthcare providers across the country. The interests of GPOs are entirely aligned with those of their provider members. As such, GPOs are dedicated to ensuring a stable and resilient supply of medical products for patients.

GPOs Support Efforts to Encourage Domestic Production

HSCA recognizes that tariffs and other economic initiatives are designed to encourage investment in the U.S. marketplace and reshoring of overseas investments, with a key associated goal of addressing supply chain inefficiencies. HSCA commends the Administration's efforts to increase domestic capacity in the supply chain, and we are proud that our supplier partners are often able to offer hospital customers the opportunity to source necessary products domestically.

GPOs witness firsthand how overreliance on offshore production can jeopardize patient access to essential products, and HSCA members are leaders in working to encourage investments in domestic manufacturing. GPOs work alongside medical equipment manufacturers to recognize quality manufacturing processes, increase competition, and promote domestic and near-shore manufacturing, which is vital to ensuring access to essential products and PPE. During the COVID-19 pandemic, several HSCA member GPOs launched programs to invest in domestic and geographically diverse



manufacturing, entering into strategic partnership agreements with a number of domestic suppliers. In the months following these agreements, many of these manufacturers expanded production capacity and increased GPO member hospital access to sought-after PPE. GPOs have also helped U.S. manufacturers bring products to market through long-term contracting – a key component designed to support manufacturer investment and sustainability.

Domestic Manufacturing Policies Must Protect Against Unintended Consequences and Prioritize Patient Access to Essential Products

Emergency events and other supply chain disruptions continue to place enormous stress on healthcare providers and the communities they serve. For example, in late 2024 severe rainfall due to Hurricane Helene shut down IV fluid production at Baxter International's North Cove facility in North Carolina, rendering several critical parenteral products in shortage. The emergency prompted Baxter and the FDA to designate a number of temporary foreign importation sources to help mitigate the effects of the shortage and maintain stable supply for patients in need, including sources in Europe and Asia. Additionally, in 2021, Winter Storm Uri caused a cascading failure of infrastructure along the Gulf Coast, creating a widespread disruption of the domestic resin used for medical grade plastics.

Events like Hurricane Helene and Winter Storm Uri drive home the importance of having a multifaceted approach to sourcing and manufacturing capabilities. The global nature of the medical supply chain should be leveraged to build in redundancies, shoring up domestic production as well as sourcing in various geographical locations to help prevent supply disruptions. Having manufacturing in a variety of locations helps suppliers scale up quickly, even if on a temporary basis as the primary manufacturer works to resume operations. Increased redundancy also reduces the risk of bottlenecks and severe disruption in the case of regional events or other manufacturing challenges, which is especially critical for pediatric facilities due to specific dosage regimens.

HSCA and its member GPOs support efforts to increase domestic production capacity in the supply chain. However, ensuring that patients have affordable access to care must remain a priority. Supply chain diversification is essential for helping the United States avoid overreliance on any particular region, and imposing tariffs on critical healthcare products would likely create volatility in the supply chain, raise prices, and hinder patient access to care. We urge you and the Administration not to apply tariffs to medical products and devices. Increasing domestic manufacturing as part of a resilient, geographically diverse global supply chain is important, but it is also a long-term process – policy solutions should include long-term domestic manufacturing incentives and adequate reimbursement for providers to ensure a sustainable approach.

Moreover, the present capacity of domestic production alone may be insufficient to meet demand. If the Administration imposes additional tariffs or quotas, the supply chain will take time to adapt to a shifting economic landscape. Given the natural lag between these policy actions and the targeted outcomes, there will be supply chain gaps – our reliance on foreign sources to satisfy the needs of the healthcare ecosystem will remain in effect until suppliers have time to ramp up domestic manufacturing.



Policy Recommendations to Safeguard the Healthcare Sector from Disruption and Prevent Patient Harm

If tariffs must be imposed, we urge the Department of Commerce to work with relevant agencies and lawmakers to develop **a process for importing medical products without tariffs in circumstances where domestic sourcing options are unavailable due to sudden supply disruptions, such as those caused by emergency events and natural disasters.** HSCA proposes that such a framework empower the Secretary, in consultation with the Department of Health and Human Services, to waive impacted products from tariffs for a temporary period, provided that each product meets the following criteria:

- ✓ Utilized in an **inpatient or outpatient healthcare setting;**
- ✓ Demand is **unable to be met** by an alternative **domestic product supply;**
- ✓ Determined to be a **critical medical product.**

We suggest that the temporary period begin at 30 days initially, with the possibility of an extension of 30 days or longer. The emergency exemption offers policymakers a process to quickly respond in the case of an unintended event while continuing to prioritize domestic production. Most importantly, the framework would help ensure patients can continue to access the products, devices, and supplies they need during a national emergency or natural disaster. Without such a process, we are deeply concerned that the impact on the healthcare supply chain and patient access to care would be catastrophic, particularly for the rural and pediatric healthcare facilities that are susceptible to such interruptions.

HSCA is eager to partner with your office and the Administration to further discuss methods of safeguarding the healthcare supply chain and U.S. national security. As trusted partners to both manufacturers and hospitals, we have a unique line of sight over the entire healthcare supply chain, offering a critical opportunity for us to serve as a resource to your office and to assist with your work.

Thank you again for the opportunity to provide our perspective, and we look forward to working with you to ensure patients and providers can continue to access essential healthcare supplies. Please do not hesitate to contact me directly if HSCA can be a resource on this issue moving forward. Should you or your staff want to speak further, I can be reached directly at (202) 629-5833 and aboliver@supplychainassociation.org.

Sincerely,

A handwritten signature in black ink, reading "Angie Boliver". The signature is fluid and cursive, with the first name "Angie" and last name "Boliver" clearly distinguishable.

Angie Boliver
President & CEO
Healthcare Supply Chain Association (HSCA)