



February 28, 2025

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Subject: The Impact of Tariffs on the Healthcare Supply Chain

Dear President Trump,

Healthcare distributors share your goal of ensuring a resilient U.S. supply chain. Health Industry Distributors Association (HIDA) member companies work every day to deliver critical products to the nation's healthcare providers at hospitals, nursing homes, physician offices, surgery centers, and the home. Our members worked closely with your first Administration to ensure America has the most resilient healthcare supply chain in the world. As you consider additional trade actions, we are concerned that proposed and new tariffs may inadvertently weaken the healthcare supply chain and therefore urge the Administration to consider tariff exemptions and exclusions for critical medical products.

Supply chain vulnerabilities are created by over-reliance on any single source for medical products, whether domestic or international. To that end, HIDA supports policies that encourage supply chain resilience and incentivize domestic manufacturing. Targeted tax relief and support for long-term federal contracts are effective tools for strengthening domestic manufacturing.

Tariffs may impede progress toward these goals. Mexico, for example, has become an important source of medical products for U.S. healthcare. Today, medical-surgical products, including personal protective equipment, are manufactured in Mexico for importation into the U.S. Similarly, nearly all exam gloves used in the U.S. are sourced from Asia. Many other countries are increasing manufacturing capacity to support continued diversification away from China. The healthcare supply chain is global in nature, precisely to create redundancy and resiliency for American medical providers. This does not diminish the necessity of creating domestic medical-surgical manufacturing opportunities to directly benefit U.S. healthcare providers and patients.

Medical products suppress the spread of viruses, improve patient outcomes, and keep healthcare workers safe. Any disruption in the supply of these products – or an increase in cost making them unavailable to most Americans – poses a national security risk to our country. Higher costs disproportionately impact providers operating on the slimmest margins, such as rural hospitals and long-term care facilities. HIDA asks that medical products be wholly exempted from additional tariffs. We join others in the healthcare community, including the American Hospital Association, in calling for exemptions.¹

HIDA also requests you consider re-establishment of a tariff exclusion process – similar to the ones created in your first Administration. The tariff exclusion process will provide a mechanism for companies to individually present their arguments for seeking relief from tariffs that may ultimately impede patient care.

Moving forward, the supply chain must deliver both higher levels of resilience while simultaneously managing costs. As the primary source of medical products to healthcare providers, we support policies that lower costs throughout the care continuum. Because the federal government finances a large part of U.S. healthcare expenditures through Medicare, Medicaid, the Veterans Administration, and the Department of Defense, potential increases from tariffs could have the unintended effect of raising costs for the federal government.

We commend your leadership on this issue and thank you for considering HIDA's concerns. We look forward to continuing public-private partnerships with your Administration as they are valuable in keeping the medical supply chain moving.

Sincerely,



Matthew J. Rowan
President and CEO
Health Industry Distributors Association

CC:

The Honorable Jamieson Greer, United States Trade Representative
The Honorable Howard Lutnick, United States Department of Commerce

¹ AHA urges administration to grant exceptions for current and proposed tariffs for medications and medical supplies, Feb. 4, 2025