Illinois Health and Hospital Association

October 17, 2025

Stephen Astle
Director, Defense Industrial Base Division
Office of Strategic Industries and Economic Security
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, DC 20230

Re: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Personal Protective Equipment, Medical Consumables, and Medical Equipment, Including Devices [Docket BIS-2025-0258; XRIN 0694-XC134]

Dear Director Astle:

On behalf of our more than 200 hospitals and nearly 40 health systems, the Illinois Health and Hospital Association (IHA) appreciates the opportunity to comment on the Dept. of Commerce's request for public comment on its Section 232 national security investigation on imports of personal protective equipment (PPE), medical consumables, and medical equipment, including devices (hereafter referred to as healthcare supplies). We understand the investigation could form the basis for future tariffs or other trade restrictions on these products.

IHA shares the administration's goal of securing a more resilient healthcare supply chain. The availability of healthcare supplies has a direct correlation to the safety and national security of Americans, and while improvements have been made since the COVID-19 public health emergency, more can be done to ensure disruptions have a limited and short-lived impact on the U.S. healthcare system.

While we recognize the potential value in the strategic use of tariffs in the long-term, it is imperative that the administration take a tempered, organized and thoughtful approach before implementation. In the short-term, imposing tariffs on medical supplies, particular under a blanket policy that is quickly executed, could result in supply chain disruptions that are financially untenable for providers and put American lives at risk by impeding healthcare access.

In fact, one Illinois health system estimates that the healthcare supply tariffs being discussed could cost as much as $149 million per year – money that should go to patient services and supplies. With almost 70% of Illinois hospitals operating on slim to negative margins, it is imperative that any policies meant to incentivize the domestic

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manufacturing of healthcare supplies do not impose additional financial strain on our healthcare providers.

That is why IHA and Illinois hospitals urge the Dept. of Commerce to consider the following:

- Conduct a thorough study on the impacts of tariffs on the healthcare supply chain to identify any unintended consequences, such as increased costs or supply shortages, due to insufficient domestic manufacturing capacity;
- Ensure that tariff policies are strategically crafted and implemented to meet the end goal of ensuring a resilient healthcare supply chain;
- Consider whether a predominantly domestic supply chain will be diverse enough to sustain environmental, political, or economic disruptions;
- Provide a slow glidepath to any tariff implementation to help ensure that both manufacturers of healthcare supplies and healthcare providers have sufficient time to respond and adapt to new tariffs while continuing to deliver essential healthcare services effectively;
- Exempt products deemed essential by the Food and Drug Administration (FDA) and Department of Defense (DOD) from tariffs due to their direct impact on national security;
- Provide clarity around whether specific categories are or are not subject to tariffs, including clear definitions for the components of devices subject to tariffs; and
- Create appropriate incentives for suppliers to establish manufacturing capabilities in the United States and for providers to purchase healthcare supplies domestically, including guardrails around increased costs that protect providers' ability to appropriately resource their facilities and service lines.

Healthcare providers currently rely on a global supply chain to obtain the resources necessary to meet the healthcare needs of Americans. Some products are domestically manufactured, while others are wholly or partially created overseas. In fact, data from the America Hospital Association show that nearly 70% of medical devices marketed in the U.S. are manufactured exclusively overseas.[i] This is for myriad reasons, including the reality that certain products are primarily sourced from a single supplier, country, or region. But it is also based on efficiencies, with certain countries or economies better positioned to manufacture certain healthcare supplies compared to others.

For example, the production of single-use disposable exam gloves primarily occurs in Asian countries, including Malaysia and China.[ii] These countries can produce exam gloves at a lower cost as they have better access to Nitrile Butadiene Rubber, the raw material utilized in the manufacturing of exam gloves, but also less expensive manufacturing processes due to differences in environmental regulations.

Additionally, we know that domestically manufactured healthcare supplies are not impervious to disruption. For example, in Sept. 2024, Hurricane Helene damaged a North Carolina plant

that manufactured critical IV fluids, leading to shortages for more than 86% of U.S. healthcare providers. Luckily, the manufacturer had the ability to ship IV fluids into the United States from international facilities, providing relief while repairs were made to the North Carolina-based plant.[iii]

These are just two examples that demonstrate the complexity of the healthcare supply chain, and why tariffs should be approached with caution. While a mostly domestic healthcare supply chain may protect the American healthcare system from disruptions caused by political upheaval, it will not completely safeguard our country from other factors that can disrupt manufacturing.

There are realistic limitations to one country's ability to fully produce every piece of PPE, medical consumable, and component of a medical device necessary to provide Americans with the full array of services necessary to sustain a healthy populace. Furthermore, it will take time to relocate and operationalize the domestic manufacturing of healthcare supplies that are being considered via this notice for comment. Illinois' hospitals work hard to provide the most high-quality, valuable care to their patients, and that includes utilizing cost-efficient supplies that meet the rigorous standards necessary to provide safe and effective care. Any policy that might disturb hospital and healthcare provider operations should be pursued thoughtfully and with robust consideration for unintended consequences.

Again, thank you Director Astle for allowing IHA the opportunity to provide feedback on this notice. Please send any questions or comments to Cassie Yarbrough, Vice President, Health Policy and Finance at cyarbrough@team-iha.org.

Sincerely,

A.J. Wilhelmi
President & CEO
Illinois Health and Hospital Association

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[i] https://www.aha.org/testimony/2025-05-14-aha-senate-statement-trade-critical-supply-chains#_ftn1

[ii] https://research.hktdc.com/en/article/MTk2MTM0MDkwMg#:~:text=Malaysia%20could%20capture%20an%20additional,Chinese%20gloves%20made%20up%2042%25.

[iii] https://www.reuters.com/business/healthcare-pharmaceuticals/baxter-begins-importing-iv-solutions-facilities-outside-us-2024-10-14/