799 9th St NW
Suite 210
Washington, D.C., 20001

T (202) 354 - 2600
vizientinc.com

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October 7, 2025

Stephen Astle
Director, Defense Industrial Base Division
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, D.C. 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 No: 250924-0160; XRIN 0694-XC134)

Dear Director Astle:

Vizient, Inc. appreciates the opportunity to provide feedback to the U.S. Department of Commerce's request for comments (RFC) regarding the national security effects of imports of personal protective equipment (PPE), medical consumables, and medical equipment, including devices (also referred to as "medical products"). Vizient welcomes the Administration's interest in mitigating possible impacts on national security. However, we have serious concerns that tariffs on imports of these products could ultimately have the opposite of the intended effect, disrupting critical infrastructure sectors and patient access to essential medical care.

Background

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 65% of the nation's acute care providers, including 97% of the nation's academic medical centers, and more than 35% of the non-acute market. Vizient provides expertise, analytics, consulting services and a contract portfolio that represents $140 billion in annual customer purchasing volume to improve patient outcomes and lower costs.

Comments

Vizient's role in the healthcare supply chain provides unique visibility into certain supplier and healthcare provider practices. We utilize data-driven insights to strengthen supply assurance for both healthcare providers and suppliers – the latter similarly relying upon a need for stable demand to ensure available supply. While we have long advocated for a more diversified supply chain, including domestic manufacturing where possible, supply disruptions can and do happen onshore as well. Even well-intentioned tariffs on medical products are likely to add unnecessary volatility to critical supply chains, such as disruptions to manufacturing and price spikes. Such volatility will cause downstream harm to critical sectors, including healthcare and emergency services, among others.

As an alternative to tariffs, Vizient urges the Department of Commerce to collaborate with other stakeholders, including government departments, such as the Centers for Medicare & Medicaid

Services (CMS), to develop a long-term strategy that both incentivizes domestic manufacturing and ensures adequate healthcare provider reimbursement. Should tariffs be imposed, we recommend directing tariff revenue to support healthcare providers and offset the increased costs of domestic manufacturing. In addition to this recommendation, Vizient provides responses to specific topics in the RFC, as outlined below.

The current and projected demand for personal protective equipment (PPE), medical consumables, and medical equipment including devices, in the United States.

Limitations of Demand Data

Given our insights on the supply chain, Vizient appreciates the Department's interest in assessing current and projected demand for medical products in the United States. However, there are numerous limitations in producing accurate demand estimates that should be carefully considered when projecting demand. Demand-related factors (e.g., orders placed for a product) may be unpredictable, such as during the spread of an infectious disease or expected or current shortage. Additionally, there may be a high demand for certain products, but production and access to products could be limited for different reasons (e.g., limited access to key starting materials) so not all orders placed are fulfilled. Also, when supply chain challenges emerge, providers may order products from multiple sources with the expectation that not all orders may be fulfilled given supply chain constraints. Finally, demand is generally not stable throughout the year as there tends to be spikes for certain products depending on the season, which can be particularly important for forecasting purposes.

Further, Vizient reiterates that demand data alone may not accurately depict present or future needs, even if no strains on the supply chain exist. Medical and surgical supplies touch nearly every area of care, from inpatient to outpatient settings to procedural and emergency services and there are thousands for stock keeping units (SKUs) spread across multiple departments, so this category tends to have major variation as many factors impact service utilization and how providers utilize medical products. Further, present data can be less reliable for future projections as practitioners may prefer certain items, including new products, and such data may not account for conservation strategies being in place. Therefore, as the Department assesses current and projected demand, Vizient encourages working with stakeholders, including providers and group purchasing organizations (GPOs) to carefully consider limitations of demand data estimates before advancing policy.

Data Sources

Vizient encourages the Department of Commerce to consider various datasets in its evaluation of projected demand given ongoing changes within the healthcare ecosystem. For example, Vizient's Summer 2025 Spend Management Outlook[1] includes information related to medical and surgical products, laboratory, capital equipment (e.g., medical/capital equipment, imaging equipment), and physician preference items that may be relevant for the Department to consider

[1] https://info.vizientinc.com/spend-management-outlook-summer-2025?form_success=SMOGeneral

when evaluating the healthcare landscape.[2] In addition, Sg2's Impact of Change provides various forecasts related to healthcare, such as an 18% growth in adult outpatient volumes and a 5% increase in adult inpatient (IP) discharges over the next decade. While we do not believe any of these resources can be used independently to estimate current and projected demand for medical products, we encourage the Department to consider a range of resources in its evaluation and to share how estimates are determined.

The extent to which domestic production of PPE, medical consumables, and medical equipment, including devices, can meet domestic demand.

Vizient appreciates the Department's interest in learning more about domestic production of PPE, medical consumables, and medical equipment, including devices. However, we seek clarification regarding the Department's interpretation of domestic production, as multiple definitions exist. For example, Vizient uses the Federal Trade Commission's (FTC's) definition of "Made in the USA" and "Assembled in the USA" and marks products within our catalog for each. This is a voluntary program for suppliers, meaning there may be suppliers who meet one of the definitions but choose not to participate. Despite the voluntary nature of the program, Vizient currently has more than 43,000 unique products marked within our catalog. However, it is unclear whether this definition aligns with the Department's interpretation of domestic production. As such, Vizient encourages the Department to utilize existing approaches, such as those provided by the FTC, as it interprets domestic production. Should an alternative definition be considered, we welcome the opportunity to provide comments to the Department.

Should a definition of domestic production be provided, Vizient notes that quantifying domestic production may be challenging due to a lack of transparency. Currently, the full extent of domestic versus foreign manufacturing is unknown, making it difficult to determine additional production needs and to confirm whether existing domestic production efforts meet the definition of domestic production. As the Department gains insights regarding domestic production, Vizient suggests these findings be shared before additional policymaking occurs, including potential tariffs. Sharing this information and requesting comments can help improve transparency and accuracy as stakeholders may respond to data, assumptions or methodologies utilized.

As recommendations are made based on the investigation, Vizient notes that there are many barriers to domestic production, including higher expenses tied to labor, regulatory compliance, and facility investments. In addition, many raw materials and critical components remain sourced internationally, limiting the ability to fully localize manufacturing. Also, domestic capacity has not yet scaled to meet the breadth of healthcare demand, meaning suppliers face long lead times and significant capital requirements to expand production in the U.S. As a result, Vizient anticipates that it will take many years to start manufacturing products domestically and this will be a costly endeavor.

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[2] The supply chain projections estimate price inflation only, combining client purchase analyses, Vizient expertise and publicly available sources; 2026 estimates use historical pricing, raw-material trends, USDA data, and the Producer Price Index.

Further, Vizient notes that there is variable demand for domestically produced PPE, medical consumables, and medical equipment, including devices. Many healthcare providers demonstrate interest in U.S.-made products, primarily to improve supply chain resilience and gain more transparency and control over sourcing. However, cost remains a major factor, as domestic products can be more expensive, and availability is limited in some categories. For most providers, “Made in the USA” is an important consideration, but it is weighed against price, performance, and product availability. As a result, robust policy solutions to encourage domestic production should also consider other demand-side factors. Further, healthcare providers, government payers, and patients should not be expected to absorb the costs associated with domestic production or tariffs on foreign products.

The role of foreign supply chains, particularly of major exporters, in meeting United States demand for PPE, medical consumables, and medical equipment, including devices.

While there is a lack of transparency in the supply chain, foreign supply chains play a critical role in meeting the United States’ demand for medical products, especially cost-effective medical products given reimbursement pressures on providers. Foreign supply chains have evolved to meet the breadth of healthcare demand and remain essential for PPE, medical consumables, and medical equipment, even though challenges such as shortages still occur. However, even if there was more significant domestic manufacturing, Vizient believes there would still be a need to rely on foreign supply chains, as supply disruptions can and do happen onshore as well.

The concentration of United States imports of PPE, medical consumables, and medical equipment, including devices from a small number of suppliers and the associated risks.

As noted above, Vizient believes that a lack of supply chain transparency makes it difficult to provide accurate insights regarding the number of distinct suppliers. Even if there are multiple suppliers, if several of those suppliers use the same contract manufacturer or rely on the same supplier for inputs, then the market may not be as robust as it appears. Therefore, Vizient encourages the Department to thoroughly review these types of relationships within the supply chain to have a clearer understanding of the concentration of United States imports of PPE, medical consumables, and medical equipment from a small number of suppliers and the associated risks.

In addition, Vizient suggests that the Department of Commerce consider not just the number of suppliers, but also the location, number of facilities, volume of products being produced, and location in which those products are warehoused as part of this analysis, if possible. Factors such as a facility’s contingency plans or risk mitigation strategies may also be important to consider in the context of resiliency. For example, should a natural disaster prevent manufacturing at a specific site, understanding whether contingent manufacturing options and alternative sources of supply exist before the disaster, are important to maintaining access and preventing disruptions to care.

While there is a significant lack of supply chain transparency, one helpful way to mitigate short-term access risks, even if there is a limited number of suppliers, is by warehousing more products domestically or nearshoring these products. Although this approach may not address

every supply chain risk, it can often be critical in ensuring that sufficient supply is available to prevent shortages and maintain operations within the healthcare sector while the supply chain recovers. Vizient has successfully deployed this strategy through our Reserve program with our healthcare clients and would be happy to speak further about the processes necessary to achieve this goal. We note, however, that additional tariffs on medical products may make it more financially challenging for such warehousing to occur.

Lastly, Vizient notes the important role of consistent policy in the context of mitigation plans to ensure access to medical products. For example, during the COVID-19 public health emergency (PHE), several suppliers changed manufacturing locations to near-shore countries, such as Mexico. However, with variable tariff policies, suppliers and other supply chain stakeholders have had to re-evaluate these business decisions that were made to increase resiliency. Vizient encourages the Department to work with private sector stakeholders and across government agencies to effectively coordinate long-term policies that impact resiliency plans. While we acknowledge the importance of policy changing due to administration priorities and the broader landscape, we believe more stable policies will encourage investments in resiliency.

The feasibility of increasing domestic capacity for PPE, medical consumables, and medical equipment, including devices, to reduce import reliance.

Vizient appreciates the Department's efforts to consider the feasibility of increasing domestic capacity for PPE, medical consumables, and medical equipment, including devices, to reduce import reliance. To further inform stakeholder responses and the Department's evaluation, Vizient recommends clarifying the interpretation of increasing domestic capacity if the goal is different from increasing production. Similarly, since imports can be reduced in variable ways, Vizient suggests that the Department provide more specific information regarding reduced import reliance goals.

Despite these questions, Vizient offers some additional responses for the Department's consideration below. Generally, Vizient believes it is important that the Department review products individually to determine their feasibility for increasing domestic production and to consider a range of additional factors to prevent unintended consequences to providers and patients due to efforts to increase domestic capacity.

Transparency
Manufacturers are often reticent to disclose various data elements, including source location, to relevant stakeholders. This lack of robust visibility in the supply chain makes determining the feasibility of increasing domestic capacity for PPE, medical consumables, and medical equipment more challenging for a variety of reasons. For example, products may be assembled in the United States but could include foreign inputs because certain materials are not available domestically, yet this information may be difficult to ascertain from a supplier and there is no single government repository or fully comprehensive private sector solution for this information.

Also, as noted above, Vizient's Domestic Sourcing work has focused on identifying domestically manufactured or assembled products and expanding the availability of American-made sources. However, manufacturers have no obligation to participate even if their products would qualify. Therefore, as the Department considers the feasibility of increasing domestic capacity, we note

that suppliers may be reluctant to attest to whether a product is domestically produced or assembled, which may make domestic capacity evaluations more challenging.

Resiliency
As the Department aims to reduce import reliance, Vizient also suggests that other supply chain risks be considered in its evaluation. For example, multiple sources, including those from foreign sources or near-shore warehousing, of critical products are often critical to ensuring supply chain resilience. Alternatively, over-reliance on limited manufacturing sites leads to a more vulnerable supply chain should any issues emerge at those sites (e.g., natural disaster). As a result, Vizient encourages the Department to ensure that efforts aiming to reduce import reliance do not have the unintended consequence of reducing supply chain resilience.

Challenges to Significantly Reducing Reliance on Imported Products
Products may be produced or assembled abroad for numerous reasons, including access to inputs, regulatory ease, existing infrastructure, and less costly labor. The combination of these factors can result in products that are less expensive, which is important to reducing health care spending domestically. Yet, current reimbursement frameworks, including Medicare, are structured to encourage providers to carefully consider lower cost options when selecting suppliers. Further, if a provider purchased a domestically produced product that is significantly more expensive, they would risk under-reimbursement which can be detrimental to a provider's operations. Therefore, Vizient believes it is important that if the Department seeks to change provider purchasing decisions to reduce reliance on imported products, then a broader reconsideration of reimbursement approaches is warranted. However, Vizient strongly urges for incentives for providers that do not impose additional burden.

Vizient also notes that the contingent suppliers, buffer inventories or supply chain risk mitigation plans, among other approaches, may help support supply chain resiliency. Domestic manufacturers that do not utilize these approaches may deter providers from purchasing their products.

Lastly, a supplier's decision to produce domestically depends on numerous factors, including potential legal or regulatory barriers. While Vizient is not addressing whether different regulations, such as environmental regulations, should be eased to enable domestic production, we do believe these regulations can be a significant factor influencing where production can feasibly occur. In addition, the location of inputs (and their production) can similarly impact the feasibility of domestically producing a given product.

Any other relevant factors.

Consistent with feedback shared regarding the Department's investigation regarding pharmaceuticals, Vizient offers feedback regarding other factors that may be relevant to the investigation. Most importantly, Vizient emphasizes the need for financial support to providers to ensure that they are adequately reimbursed should tariffs or other measures be imposed that increase costs.

In addition, we suggest providing information publicly regarding the tariff costs that are paid by an importer for a given product. Among other reasons, it can be difficult for a provider to validate a claim that tariff policy has resulted in the need to increase the price of a product. Also, while

the RFC does not address how funds collected from potential tariffs would be used, we support the use of these funds to support a quality manufacturing infrastructure and to fund providers, either directly (should tariff cost be passed on to them) or through increased reimbursement from payers (at a minimum, Medicare).

To further develop these concepts into policies, Vizient encourages the Department of Commerce to convene key supply chain stakeholders, including manufacturers, group purchasing organizations (GPOs), providers, payers and other government departments. We strongly believe that such measures, including incentives for domestic manufacturing and financial support for providers, are needed before any tariffs are implemented. Given the complexity of the supply chain, the limited resources of providers, and the critical need to care for patients, we urge the Department of Commerce to refrain from implementing additional tariffs on PPE, medical consumables, and medical equipment, including devices.

Lastly, Vizient encourages the Department of Commerce to work with other government agencies to clarify the tariff status for PPE, medical consumables, and medical equipment, including devices. Specifically, several products with existing 232 investigations, such as pharmaceuticals, have been excepted from other tariffs. As a result, Vizient requests that similar relief be provided to medical products. Further, to the extent possible, Vizient urges that if such exceptions are provided in the context of other tariffs, including for tariffs already accrued, then additional steps should be taken to ensure that providers are reimbursed for price increases.

Vizient thanks the Department of Commerce for issuing the RFC, as it provides an opportunity for stakeholder input. As the Department of Commerce's investigation continues, we encourage carefully considering potential access issues for products on the Critical Medical Device List which was developed by the Food and Drug Administration with input from key stakeholders, including Vizient. These products are most critical to patient care and should access issues emerge, patient care consequences could be detrimental. We also welcome the opportunity to discuss strategies that could be implemented from a reimbursement standpoint to support providers. Thank you for your consideration. Please do not hesitate to contact me at (202) 354-2607 or shoshana.krilow@vizientinc.com if you have any questions or if we can be of assistance.

Sincerely,

Shoshana Krilow
Senior Vice President, Public Policy & Government Relations