

February 4, 2025

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

The Honorable Kristi Noem
Secretary of Homeland Security
Department of Homeland Security
2707 Martin Luther King Jr. Ave SE
Washington, DC 20258

Also sent via email to: traderemedy@cbp.dhs.gov

Re: Tariffs on Canada, China and Mexico Related to Executive Orders

Dear President Trump and Secretary Noem:

Vizient, Inc. appreciates the opportunity to provide feedback to the President and Secretary of Homeland Security regarding recently announced tariffs on products imported from Canada, Mexico and China.¹ Also, we thank the administration for efforts to reconsider some of these tariffs, such as the recently announced 30-day delay of tariffs on imports from Mexico and Canada.^{2,3} Vizient welcomes the opportunity to continue our engagement with the President and Secretary of Homeland Security, especially given the supply chain challenges over the last several years and the laudable goal of addressing the flow of illicit drugs. However, Vizient emphasizes that the imposition of tariffs will ultimately increase costs in the United States healthcare system – specifically for hospitals and other healthcare providers who already operate on extremely thin margins. Further, although Medicare reimbursement for this year has been established, Medicare payments will eventually increase as these increased expenses are reflected by healthcare providers.

[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.

Vizient’s role in the healthcare supply chain puts us in a unique position of having a line of sight

¹ <https://public-inspection.federalregister.gov/2025-02293.pdf>

² <https://www.whitehouse.gov/presidential-actions/2025/02/progress-on-the-situation-at-our-southern-border/>

³ <https://www.whitehouse.gov/presidential-actions/2025/02/progress-on-the-situation-at-our-northern-border/>

into the practices of suppliers and healthcare providers. We have utilized data-driven insights to help bolster 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 the need for a diversified supply chain, including domestic manufacturing where possible, supply disruptions can and do happen on-shore as well.

Ultimately, tariffs on imports of pharmaceuticals, medical devices and other critical supplies threaten healthcare providers with potentially abrupt price increases, disrupted supply chains, and limited access to high-quality alternatives. For example, the Healthcare Distribution Alliance noted “Tariffs on pharmaceuticals would strain the pharmaceutical supply chain and could adversely affect American patients, whether through increased medical product costs or manufacturers leaving the market.”

Collectively, these challenges will negatively impact patient care. Further, the nation’s largest payer, Medicare, prospectively sets reimbursement rates for providers. Since reimbursement for providers has not accounted for tariffs, providers will be severely under-reimbursed. Healthcare providers already operate on extremely narrow margins and the imposition of these tariffs may jeopardize their ability to operate at full capacity or, potentially, even keep their doors open.

Current contracts may protect providers in the short-term from increased costs, but suppliers will ultimately try and pass down the increased expenses for products. Even if an alternative product is available from a domestic manufacturer (or one located in a nation not currently impacted by tariffs), it can take up to a year for providers to transition to an alternative supplier, negotiate contracts, ensure product compliance and provide clinical education and training to staff.

As a result, we respectfully request the opportunity to share more insights on the drugs, supplies, and product categories that we believe would be most impacted by the current and delayed tariffs as well as provide insight on potential strategies that could be implemented from a reimbursement standpoint to mitigate any unintended, negative consequences.

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

CC: The Honorable John Thune, Majority Leader, United States Senate
The Honorable Charles Schumer, Minority Leader, United States Senate
The Honorable Mike Johnson, Speaker, United States House of Representatives
The Honorable Hakeem Jeffries, Minority Leader, United States House of Representatives