

May 13, 2022

Katherine Tai
Ambassador
Office of the United States Trade Representative
600 17th St. NW
Washington, D.C. 20508

Brian Deese
Director
National Economic Council
Eisenhower Executive Office Building
Room 235
Washington, D.C. 20502

Re: Expiration of Sec. 301 China Tariffs Exclusions on Certain Medical Care Products Needed to Address the COVID-19 Pandemic

Dear Ambassador Tai and Director Deese:

On behalf of Vizient, Inc., and the healthcare provider members we serve, I am writing to urge you to take action to prevent current tariff exclusions from expiring and to revise the current approach to Section 301 tariffs on products manufactured in China.

Vizient is the nation's largest healthcare performance improvement company. Vizient provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 50% of the nation's acute care providers, which includes 95% of the nation's academic medical centers, and more than 20% of ambulatory providers. Vizient provides expertise, analytics, and advisory services, as well as a contract portfolio that represents more than \$100 billion in annual purchasing volume, to improve patient outcomes and lower costs. Headquartered in Irving, Texas, Vizient has offices and members throughout the United States.

While the pandemic is entering a new phase, where the case numbers and hospitalizations are lower than they were during previous waves, U.S. hospitals and healthcare providers continue to face extraordinary challenges, both clinical and economic. Inflation has led to significantly increased costs for both critical medical supplies and staffing needs. Hospitals are being forced to pay higher prices for items such as personal protective equipment, capital purchases, food and fuel. Hospitals are now paying an additional 20.6% for supplies per patient.¹ Additional cost pressures from the scheduled resumption of Sec. 301 China tariffs for supplies necessary to respond to the COVID-19 pandemic (which are currently subject to tariff exclusions) would have an unnecessary, immediate and negative financial impact on hospitals.

Vizient greatly appreciates the flexibility offered by the Office of the U.S. Trade Representative (USTR) in granting broad exclusions from tariffs for essential medical products throughout the course of the

¹ Swanson, E., National Hospital Flash Report – January 2022, (Jan. 2022), Kaufmann Hall

COVID-19 pandemic. Many of those exclusions, however, are scheduled to expire on May 31, 2022. Vizient urges the administration to act now to extend the exclusions for all of the previously excluded health products necessary to respond to the COVID-19 pandemic for at least 6 months, or through the end of the year in which the declared COVID-19 Public Health Emergency ends. Taking action now would provide greater certainty for hospitals and avoid unnecessary price increases at a time when hospitals cannot afford to absorb added costs.

While Vizient remains committed to bolstering and promoting a resilient supply chain, we believe that it remains important to avoid the resumption of tariffs on essential medical products at this time.

Thank you for your consideration of this request. Please contact me at shoshana.krilow@vizientinc.com or (202) 354-2607 if you have any questions or if there is any way I can be of assistance.

Sincerely,

A handwritten signature in black ink that reads "Shoshana Krilow". The signature is written in a cursive, flowing style.

Shoshana Krilow
Senior Vice President, Public Policy & Government Relations