

TO: Centers for Medicare & Medicaid Services (CMS)

RE: Ensuring Safety Through Domestic Security With Made in America Personal Protective Equipment (PPE) and Essential Medicine Procurement by Medicare Participating Hospitals, CMS-1516-ANPRM

DATE: March 27, 2026

The following organizations appreciate the opportunity to comment regarding the maintenance of affordable and secure supply chains of medical goods.

Hospitals should focus on providing high-quality medical care, not attempting to meet a proposed new federal “Secure American Medical Supplies” designation based on using a minimum percentage of domestically made goods to qualify for a higher level of Medicare reimbursement.

The health care industry is highly regulated by the federal government. We encourage actions designed to reduce red tape, not the creation of new burdens for providers.

We are particularly concerned about the impact of potential domestic purchasing incentives on the federal budget. CMS expects the cost of domestically manufactured medical goods to exceed the cost of goods made in other countries in many cases.¹ Since the federal government accounts for a significant share of spending on hospital care, many of these added costs would ultimately be shouldered by the federal government.² With the federal debt now exceeding \$39 trillion, the government should prioritize reducing costs, not increasing them.³ CMS should not adopt new health care regulations that would increase the cost of hospital services, largely falling on the backs of American taxpayers.⁴

In addition to their cost, ill-conceived efforts to promote uneconomic, broad-based self-sufficiency could actually reduce the resiliency of medical goods supply chains. In its efforts to improve resiliency, we encourage CMS to account for the benefits that diversified, redundant supply chains bring to U.S. hospitals and, ultimately, patients. Consider these recent examples:

- During the pandemic, the Office of the U.S. Trade Representative (USTR) exempted several medical products from Section 301 tariffs to facilitate the U.S. response to the COVID-19 pandemic.⁵ At the same time, U.S. producers responded to the pandemic by boosting production of goods including COVID-19 testing kits and N-95 masks.⁶
- After Hurricane Helene disrupted the domestic production of IV supplies in 2024, the federal government responded by authorizing more imports to address national shortages.⁷
- In 2023, contamination concerns caused a major U.S. infant formula facility to temporarily shut down. To address the resulting shortage of infant formula, Congress enacted legislation to waive tariffs on imported formula and the base powder used to manufacture formula.⁸

¹ U.S. Department of Health and Human Services, “Medicare Program: Ensuring Safety Through Domestic Security With Made in America Personal Protective Equipment and Essential Medicine Procurement by Medicare Participating Hospitals,” Federal Register 91, no. 19 (January 29, 2026): 3851–3856, <https://www.federalregister.gov/documents/2026/01/29/2026-01730/medicare-program-ensuring-safety-through-domestic-security-with-made-in-america-personal-protective>.

² Zachary Levinson, Scott Hulver, Jamie Godwin, and Tricia Neuman, “Key Facts About Hospitals,” KFF, February 19, 2025, <https://www.kff.org/health-costs/key-facts-about-hospitals/>.

³ U.S. Department of the Treasury, *Daily Treasury Statement*, March 23, 2026, https://fiscaldata.treasury.gov/static-data/published-reports/dts/DailyTreasuryStatement_20260323.pdf.

⁴ Congressional Budget Office, “Health Care,” <https://www.cbo.gov/topics/health-care>.

⁵ Office of the United States Trade Representative, “Additional Modifications to Address COVID-19,” Federal Register 85, no. 58 (March 25, 2020): 16987–16988, https://ustr.gov/sites/default/files/enforcement/301Investigations/Additional_Modifications_to_Address_COVID-19.pdf.

⁶ Paul L. Joskow, “From Scarcity to Abundance: Government and Private Initiatives to Manage the Allocation of N95 Masks in the U.S. During the Covid-19 Pandemic,” *SSRN Electronic Journal*, March 2022, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4068046.

⁷ U.S. Food and Drug Administration, “FDA Roundup: October 18, 2024,” press announcement, October 18, 2024, <https://www.fda.gov/news-events/press-announcements/fda-roundup-october-18-2024>.

⁸ Office of Representative John B. Larson, “Congress Passes Rep. John Larson-Led Bill to Boost Baby Formula Production,” <https://larson.house.gov/media-center/in-the-news/congress-passes-rep-john-larson-led-bill-boost-baby-formula-production>.

These examples bolster the findings of the National Academies of Sciences, Engineering, and Medicine report, *Building Resilience Into the Nation's Medical Supply Chains*. This report concluded that medical goods imports can reduce prices, improve quality, and increase innovation. It further observed that the ability to source medical goods from multiple global suppliers helps protect Americans in the event of a domestic disaster.⁹

Thus, efforts to promote domestic procurement through new regulations could worsen our fiscal standing and inadvertently make our nation's health and safety less secure.

It is not unreasonable to identify legitimate threats to U.S. health care supply chains and respond with targeted, cost-effective measures. We encourage the federal government to reduce tax, tariff, and regulatory burdens that increase the cost of doing business in the United States, particularly for businesses that provide medical supplies and services. In addition, we encourage the consideration of alternatives such as using the Strategic National Stockpile (SNS) and other state programs to provide the infrastructure for additional supplies in emergencies.¹⁰

The federal government should focus on adopting policies that make it easier to produce in the United States. We urge you to reject costly new health care regulations and programs that could weaken the supply chains that deliver medical goods Americans rely on.



⁹ National Academies of Sciences, Engineering, and Medicine, *Building Resilience into the Nation's Medical Product Supply Chains* (Washington, DC: The National Academies Press, 2022), <https://www.nationalacademies.org/read/26420/chapter/1>.

¹⁰ Sarah A. Lister, *Strategic National Stockpile: Overview and Issues for Congress*, CRS Report R47400 (Washington, DC: Congressional Research Service, August 12, 2025), <https://www.congress.gov/crs-product/R47400>.