July Supply Chain Resource Council Report

Executive Summary

The July SCRC meeting focused on the extension of the reciprocal tariffs modification to August 1, 2025, ongoing impacts of tariff-related fees and surcharges, and proactive strategies for mitigating supply chain risks. Council members discussed vendor negotiations, sourcing alternatives, and the importance of country-of-origin data. The group also shared updates on current disruptions.

Details can be found in the full report below, and on the <u>Supply Chain Resource Council</u> website.

AHA Updates

• Executive Orders: On July 7, 2025, the Trump administration issued an executive order extending the modification of reciprocal tariffs to August 1. The AHA has updated its <u>tracker of executive actions</u> to include details on the new tariffs.

Field Updates

Tariff Impacts and Strategies

- Members reported that tariff-related fees are more prevalent than direct price increases, especially on non-contracted items.
- Some organizations have successfully pushed back on fees, using strategies such as cancellation threats.
- Distributors have communicated price increases, but some have postponed them through direct negotiations.
- Organizations are requesting item-level tariff impact lists and cross-referencing with non-impacted alternatives.
- Country-of-origin data is being used to identify tariff-free alternatives and inform purchasing decisions.

Risk Mitigation and Tools

- Members are using third-party risk solutions tools to gain upstream visibility and assess product risk.
- Country-of-origin data is being incorporated into internal datasets and value analysis processes.

- Some members are drilling down to raw material sources to assess true exposure to tariffs.
- A reminder that the June presentations and materials from risk solutions vendors Everstream, Exiger, Supply Risk Solutions, and Symmetric Health Solutions can <u>be</u> accessed here.

Surcharge vs. Price Increase

• The consensus remains that tariff-related costs should be listed as separate surcharges rather than incorporated into product prices.

Supply Chain Watch — Current Situations Being Monitored

Critical Product Heat Map Proposal

- AHA is proposing the development of a heat map to identify critical product categories, manufacturers, market share, and manufacturing locations.
- The goal is to provide transparency and help organizations assess risk exposure and consider multi-source contracting strategies.
- The proposal was reviewed and approved the AHA Board. More details and next steps will be discussed during the August 11th meeting.

Red Sea Shipping Disruptions

• Members are monitoring the impact of Red Sea attacks on ocean freight and potential lead time increases.

New Shortages and Disruptions

• Attached is the BD notice regarding a shortage of 2-micron filters, with recovery expected by year-end. AHRMM will follow up with additional information and include updates in future reports.

Additional Resources

 NIOSH has honored a request by Kimberly-Clark Corporation to rescind four approvals as well as a request from ivWatch, LLC to rescind one approval. Due to the voluntary rescission of these NIOSH approvals, respirators bearing the NIOSH approval numbers listed in the documents linked below may no longer be used, manufactured, assembled, sold, or distributed. **CA 2025-1094** – <u>Effective Immediately: Voluntary Rescission of Four Kimberly-Clark Corporation Approvals</u>

CA 2025-1095 – <u>Effective Immediately: Voluntary Rescission of one ivWatch, LLC Approval</u>

For additional information, please contact the respective approval holder.

The <u>Certified Equipment List</u> can be used to locate other NIOSH Approved® respirators.

NIOSH *Respiratory Protective Device Info* announcements are issued to inform users of changes to the approval status of specific respirator models or to alert about potential counterfeit or misrepresented products. A full list can be found on the NIOSH <u>Respirator Approval Program Topic Page</u>.

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About the Supply Chain Resource Council (SCRC)

The Supply Chain Resource Council (SCRC) is comprised of over 130 supply chain and health care leaders from across the field with the goal of understanding the extent and impact supply shortages and disruptions are having within the hospital and patient care settings, as well as capturing and documenting solutions to these challenges. This report is created from the information collected during these calls and shared with AHA, AHRMM and Professional Management Group (PMG) senior leaders, various federal agencies and the broader health care field. The content of this report represents information, strategies and solutions from SCRC members but does not necessarily reflect policy positions of the AHA.