

Supply Chain Resource Council Report

Supply Chain Resource Council August and September Reports

About the Supply Chain Resource Council: The SCRC is comprised of over 130 supply chain and health care leaders from across the field with the goal of understanding the extent to which supply shortages, disruptions, and policy are impacting hospital and patient care settings, as well as capturing and documenting solutions. This report includes information, strategies and solutions from the SCRC members, but does not necessarily reflect the policy positions of the AHA.

To access the previous month's reports, visit the [SCRC webpage](#).

◆ Executive Summary

The August/September SCRC meeting focused on tariff strategies and their evolving impact on health care supply chains. Members shared updates on supplier engagement, country of origin and data modeling dashboards, and the development of internal tools to manage tariff-related risks. Pharmaceutical supply chain resilience, cybersecurity risks, and product shortages were also discussed.

◆ Field Updates

Tariff Strategy Insights

- **Supplier Engagement:** Health systems are experiencing nominal impacts but anticipate increased pressure in the coming months. Non-contracted suppliers have approached organizations with price increases, most of which have been rejected. Larger category contracts are being rebid to mitigate tariff threats.
- **Financial Modeling:** Organizations are modeling a 1-3% impact if tariffs persist, with expectations that price increases may be gradually embedded in future agreements.
- **Impact Timeline:** Full impact from tariff-related prices is expected to occur throughout 2026. The group anticipates potential changes following the expiration of the 90-day truce with China on Nov. 10.

Pharmaceutical Supply Chain

- **ASPR Directive:** President Trump signed an [Executive Order to fill the Strategic Active Pharmaceutical Ingredients Reserve \(SAPIR\)](#) with critical drug components, ensuring a resilient domestic supply chain for essential medicines. The order directs ASPR to develop a list of approximately 26 critical drugs and prepare the SAPIR repository to receive and maintain the Active Pharmaceutical Ingredients (APIs) used to make these critical drugs, while charging ASPR with obtaining a 6-month supply of these critical APIs. It further

instructs the ASPR to update the 2022 list of 86 essential medicines and propose a plan to obtain and store a 6-month API supply for these drugs.

- A question was raised regarding the impact on pricing and the availability of products as a result of the executive order.

Data Management and Dashboards

- A health system is developing an internal dashboard using Excel, informed by templates shared during an industry meeting. The dashboard will help the organization track the country of origin and associated tariff exposure.
- Another health system is exploring similar dashboard strategies for its clinics, leveraging Tableau and Excel to manage centralized and specialty clinic inventories.
- Shelby Shields (UNC Health) raised concerns about managing tariffs across diverse clinics. She requested insights and strategies from peers, particularly around centralized warehousing and dashboard tools.

Capital Acquisition Models

- Alternative Financing: While some suppliers are exploring leasing and co-ownership models to offset capital costs, most health systems prefer direct purchases.
- Prioritized Purchases: In general, health care organizations are prioritizing planned purchases and delaying planned capital purchases, when possible, unless life-cycle replacements are necessary.

Contract Trends

- ECRI reports a significant uptick in tariff-related language in capital proposals and agreements.

◆ Supply Chain Watch

- BD BACTEC Media: BD representatives confirmed that all BD BACTEC Media is off allocation, with distribution partners holding sufficient stock levels.
- ZOLL ERP Transition: Members reported delays in receiving defibrillator pads due to ZOLL's ERP system transition. Substitutes from Cardinal, Medline, and McKesson are being used, though they require additional education and manual checks.
- Experience Solution Transition: Next Science's Experience wound debridement product is transitioning to a German distributor. Members discussed alternative sourcing through Zimmer and other vendors.

AHA Updates

◆ Executive Orders

The White House Sept. 5 issued an [executive order](#) modifying the scope of reciprocal tariffs announced in [April](#) to establish a framework of trade deals with international partners on certain

goods, such as critical minerals and pharmaceutical products.

The order [established](#) a Potential Tariff Adjustments for Aligned Partners Annex, consisting of a list of products to which President Trump would be willing to apply the “most favored nation” tariff, pending any future reciprocal trade deal. Pharmaceuticals and their ingredients were one of four product categories listed.

◆ **AHA EO Tracker**

Stay up to date on all new executive actions by following the [AHA's tracker](#), which contains summaries and links to executive actions by the administration.