

Supply Chain Resource Council Report

Supply Chain Resource Council November Report

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 November SCRC meeting focused on managing tariff-related surcharges, anticipated cost increases and operational challenges. Additional topics included emergency preparedness collaborations, AI-driven invoice auditing and critical product shortages updates.

◆ Field Updates

Tariff Strategy Insights

- Recent U.S.-China tariff agreements prompted questions regarding changes to the 2026 financial impact and planning. Members reported maintaining current strategies with constant monitoring, anticipating 3-5% cost increases in 2026 due to tariffs, with pharmacy potentially higher. Rolling estimates are recommended over point-in-time projections.
- Some organizations are leveraging AI tools to identify surcharges on invoices, while others request documentation from vendors to validate tariff charges. Surcharge removal success rates were estimated to be 50%.
- Surcharge fees are seen on non-contacted items, while group purchasing organization (GPO)/self-negotiated contracts continue to provide necessary protection. Members are renegotiating contracts or switching vendors when necessary.
- GPO tariff impact tools and dashboards were cited as useful resources for modeling exposure and guiding procurement decisions.

Emergency Preparedness Collaboration

- AHA's Health Research and Educational Trust, in collaboration with the Administration for Strategic Preparedness and Response and AHRMM, received a grant to strengthen coordination between supply chain and emergency management leaders. Focus groups will begin in January to identify barriers and enabling factors for intra-facility cooperation during emergencies.

- Insights will inform strategies to formalize relationships between these disciplines and enhance readiness. The initiative will also incorporate data from the national heat map project to build supply chain resilience.

FDA Voluntary Recall: Multistate Outbreak of Infant Botulism

- ByHeart has expanded its voluntary recall to include all Whole Nutrition Infant Formula cans and Anywhere Pack products amid an investigation by the Food and Drug Administration and other agencies of a multistate outbreak of infant botulism illnesses. The recall was previously limited to certain lots. As of Nov. 11, there were 15 infants with suspected or confirmed botulism and confirmed exposure to Byheart Whole Nutrition infant formula, [according to the FDA](#). Cases have been reported in 12 states.

A [company notice](#) published by the FDA said that no unopened ByHeart product has tested positive for *Clostridium botulinum* spores or toxin, which can cause botulism.

◆ Supply Chain Watch

Bracco Contrast Media

- To ensure equitable and reliable access to ISOVUE products due to the continued increase in CT procedural volume, Bracco has implemented a 90% allocation model across all ISOVUE SKUs effective Oct. 1, 2025. The measure is designed to protect inventory availability and maintain continuity of care across the U.S. health care system. More information can be found in the *attached Dear Customer letter*.

Solventum Avagard

- Continued disruptions with recovery now projected into early January. Some organizations have converted to alternative products such as Medline's Sterillium.

BD Inline Feeding Filters

- PALL, a global manufacturer of the 0.2 micron filters, has been experiencing manufacturing delays, resulting in shortages across the marketplace. This has resulted in multiple suppliers placing products on allocation and/or experiencing shortages. *Attached* is a detail overview from Mohawk Medbuy, a Canadian group purchasing organization. Thanks to BD for sharing this information with AHRMM.

FedEx 2.0 Initiative

- Mixed feedback on the new FedEx consolidated delivery model. Rural hospitals report improved service, while others note delays. One third-party logistics company offers a free tracking tool for enhanced visibility.

AHA Updates

Expanded Distribution

- The Supply Chain Resource Council report is now linked within the AHA Today newsletter, reaching all 5,000 AHA hospital members, including CEOs and regional executives. Reports from federal relations and policy teams are included monthly.

National Heat Map

- Development continues with contributions from members' critical product lists. The first 10 critical product categories have been identified, with manufacturer and market share research underway. Country of origin, logistic channels and other market factors for consideration will follow. Expansion of the report is currently being planned for 2026.

White House Announces Deals with Eli Lilly, Novo Nordisk to Lower Drug Costs

- The White House [announced](#) today that it reached agreements with Eli Lilly and Novo Nordisk to align their drug prices with the lowest paid by other developed nations, known as the most-favored-nation price. Like other [recent agreements](#), Eli Lilly and Novo Nordisk will provide all state Medicaid programs access to MFN prices on their products and must offer medicines at deep discounts off the list price when selling directly to American consumers. In addition, Novo Nordisk committed to a \$10 billion investment to expand its U.S. manufacturing capacity, while Eli Lilly announced it would provide at least \$27 billion in new U.S. manufacturing investments.

CMS Launches Payment Model for State Medicaid Programs to Purchase Drugs at Most-favored-nation Pricing

- The Centers for Medicare & Medicaid Services is launching a new [initiative](#) for state Medicaid programs to purchase prescription drugs at prices aligned with those paid in other countries, known as most-favored-nation pricing. The program, called the GENERating cost Reductions for U.S. (GENEROUS) Medicaid Model, will be coordinated by the CMS Innovation Center. CMS said it will issue a request for applications later this fall for drug manufacturers interested in participating in the model. The agency will also seek letters of intent from interested state Medicaid agencies.

◆ 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.