

November 5, 2018

The Honorable Wilbur Ross
Secretary
Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Ross:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes to strongly oppose the tariffs that have been imposed on medical equipment and medical products imported from China that are used in hospitals, as well as potential tariffs under consideration that would impact the health care field. The imposition of these tariffs will increase the cost of providing health care to all Americans, hitting vulnerable communities, such as rural communities that can least afford higher costs, especially hard.

The cost – and affordability – of health care in America affects a wide range of stakeholders, including patients and their families, employers, policymakers, and providers of care. Hospitals and health systems understand the importance of this issue and of ensuring access to affordable health care services.

According to the Association for Health Care Resource & Materials Management, an AHA membership group for health care supply chain professionals, the recent tariffs are estimated to increase the cost of medical equipment and supplies typically purchased by hospitals and health systems by at least \$160,000,000 per year. This amount does not include the additional costs due to tariffs that hospitals will incur during construction for steel or when acquiring major appliances, such as commercial washing machines and dryers. It includes only finished goods, and not components or other affected elements related to facility maintenance. The overall impact on hospitals and health systems is greater and will certainly lead to higher health care costs. The AHA also strongly opposes escalating the amount of tariffs on medical equipment from China in the future.



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We urge the Administration to find alternatives to tariffs and to work with stakeholders to consider the impact of potential trade actions. The AHA asks the Administration to enact policies that make health care more affordable so that every American can reach their highest potential for health.

Sincerely,

/s/

Thomas P. Nickels

Executive Vice President