The Daily Dish

Biden Prescribes Tariffs on Medical Equipment

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It turns out that not everyone is sold on the use of tariffs as the ultimate problem-solving mechanism for shoring up supply chains and protecting U.S. industry. Just ask the American Hospital Association (AHA), which recently requested that the Biden Administration reconsider tariff hikes on certain medical equipment from China.

It is easy to see why the AHA might be concerned. These tariffs will impact hundreds of millions of dollars in goods that are not easily replaceable, amounting to over $650 million in increased costs to the U.S. medical industry as a whole or over $5,000 per health care facility if distributed evenly. The AHA indicates that many hospitals are already operating at a loss. These new tariffs are likely to make the financial woes of many health facilities worse and would hit struggling facilities hardest.

In one way or another, the additional costs for health care providers, hospitals, and pharmacies will be shifted to patients, taking the form of lower quality care or higher prices. The Biden Administration has claimed a key priority is lowering the cost of health care. As the tables below demonstrate, adding hundreds of millions of dollars in increased costs via new tariffs will not help to achieve this aim.

Table 1: Medical Equipment Impacted from China (2023 Dataweb Import Data)

Product	New Tariff	Original Tariff	Implementation Year	Tariff Value Estimate ($ millions)
Syringes and Needles	50%	0%	2024	$561
Rubber Medical Gloves	25%	7.50%	2026	$100
Certain PPE Materials	7.50%	0%	2024	$3

Table 2: Total Number of Health Care Facilities Potentially Impacted

Hospitals	Pharmacies	Emergency Departments	Health Centers	Total
7,378	88,000	5,381	11,200	111,959