

U.S. News & World Report

States Competing in 'Global Jungle' for PPE

For weeks, states have been locked in bidding wars with each other and the federal government for medical supplies needed to fight coronavirus.

By Andrew Soergel, Senior Writer, Economics April 7, 2020

<https://www.usnews.com/news/best-states/articles/2020-04-07/states-compete-in-global-jungle-for-personal-protective-equipment-amid-coronavirus>

A SHORTAGE OF desperately needed personal protective equipment generated by the coronavirus pandemic has driven an arms race among states, which are often more proactively partnering with nonprofits and the private sector to fortify their own reserves than they are with one another to equitably distribute supplies.

Government officials have warned that this competition will disproportionately benefit large, economically powerful states such as [California](#) and could potentially leave smaller states with smaller budgets wanting for life-saving equipment. But in absence of a federal price-controlling program, personal protective equipment bidding rages on.

"Where we are now, 50 states all trying to buy the same equipment from China, and then the federal government comes in with (the Federal Emergency Management Agency), which is trying to purchase the same equipment," Gov. Andrew Cuomo of [New York](#), a Democrat, said on April 2 during an appearance on MSNBC's "[The Rachel Maddow Show](#)."

"I bought 17,000 ventilators – ordered 17,000 ventilators from China – but I think what's happening is when somebody else outbids you, your order just is gone. I haven't even received 1,000."

It's a situation that both [Illinois](#) Gov. J.B. Pritzker and California Gov. Gavin Newsom, both Democrats, have likened to the "Wild West" as each state is essentially left to fend for itself – at times even bidding against the federal government, which is seeking to bolster its own stockpile of lifesaving products.

"Our biggest problem is that just about every single order that we have out there for PPE, we get a call right when it's supposed to be shipped and it's typically, 'The federal government has bought it,'" [Kentucky](#) Gov. Andy Beshear, a Democrat, said during a news conference on Saturday.

Newsom has acknowledged that the Golden State would theoretically be able to outbid smaller states, given its status as America's largest state economy. But he has instead pushed for greater state unity in controlling equipment prices and ensuring supplies are directed to where they are most needed.

"We want to help other states even as large as Illinois and Washington state, some of the largest states in our nation, to see if we can help procure not only a reduction in costs per unit, but also

procure a mindset where we're not playing in the margins of a zero sum where it's us versus them," Newsom said during a March 31 news conference.

But Cuomo has thrown cold water on the notion that a state-level buying consortium would have much of an impact with medical equipment supplies already strained. Although he has supported greater state coordination, he said during a news conference on April 2: "I think you're past that point now, because you just can't buy the product."

The coronavirus outbreak has sickened more than 383,000 Americans, touching residents of all 50 states and leading to more than 12,000 deaths as of Tuesday afternoon, according to the latest data from [Johns Hopkins University](#). Medical supplies in many hard-hit states such as New York and Michigan have been stretched thin, and health experts expect the health care infrastructure of several more states will be tested as the coronavirus peaks at different times and in different places across the country.

Those shortages of ventilators, medical-grade face masks, disposable gloves and other personal protective equipment have sent costs skyrocketing. A recent [ProPublica](#) analysis found that state officials in New York have in some cases been forced to pay 15 times the usual price for certain types of in-demand medical equipment. Cuomo in recent weeks has repeatedly highlighted that ventilators that typically cost \$25,000 now cost the state around \$45,000 – a spike that is putting a strain on the state's financial resources.

"Every state, major city, and territory, and thousands of hospitals, are being forced into a bidding war, encouraging price gouging and hoarding," Sen. Chris Murphy, D-Conn., wrote in an [op-ed](#) published on March 31. "The medical supply system has turned into 'Lord of the Flies,' and the only way to fix this desperately broken system is aggressive federal action."

The Trump administration has vowed to target price-gouging and has pushed back on the notion that the federal government hasn't done enough to support states. President Donald Trump [tweeted](#) on April 2 that some states and hospitals "have insatiable appetites" and "are never satisfied," suggesting federal supplies should serve as "a backup" for states and that the "complainers should have been stocked up and ready."

"We recognize that the federal government has said, 'We're your backstop. You've got to get out there and compete.' And it literally is a global jungle that we're competing in now," [Arkansas](#) Gov. Asa Hutchinson, a Republican, said Sunday on NBC's "[Meet the Press](#)."

With limited federal support and competition between one another for equipment, states have turned to public-private partnerships to fill some of their needs. [Ohio](#) Gov. Mike DeWine, a Republican, on April 1 announced the formation of "a collaborative public-private partnership" with the Ohio Manufacturers' Association, the Ohio Hospital Association and other state and nonprofit associations.

He said the goal of the partnership is to get state manufacturers "to step up" in producing personal protective equipment "and other medical devices" needed in the Buckeye State.

Meanwhile, Gov. Tony Evers of [Wisconsin](#), a Democrat, on March 30 announced a [public-private partnership](#) with local medical, health and laboratory testing organizations that could double the state's testing capacity. And Pritzker of Illinois announced a partnership in late March that involves manufacturing and biotech associations in the state aimed at "ramping up efforts to study the virus and develop solutions to prevent, diagnose and treat this deadly infections disease."

[Maine](#) and [Nevada](#) are among a host of other states that have launched similar partnerships and task forces to help state governments cope with a shortage of supplies

Still, as shipments come in and states see what resources they have and what resources they need, signs of cooperation have emerged. Newsom on Monday announced plans to loan out hundreds of [ventilators](#) to hard-hit states such as New York.

Similarly, Gov. Jay Inslee of [Washington](#) announced on Sunday that his state would return more than 400 ventilators from the Strategic National Stockpile, and [Oregon](#) Gov. Katie Brown on Saturday said her state would send more than 100 ventilators to New York "because Oregon is in a better position right now."

"Not having a national strategy where there is one policy for the country, as opposed to a patchwork based on whomever the governor is, is something that I think is creating a more porous situation where COVID-19 will go longer and more people will get sick and sadly more lives may get lost," [Michigan](#) Gov. Gretchen Whitmer, a Democrat, said during an appearance on Fox News Sunday. "And that's precisely why I think we all have to do our jobs. We're not one another's enemy."