

October 13, 2021

The Honorable Jan Schakowsky
Chair
House Committee on Energy & Commerce
Subcommittee on
Consumer Protection & Commerce
Washington, D.C. 20515

The Honorable Gus Bilirakis Ranking Member House Committee on Energy & Commerce Subcommittee on Consumer Protection & Commerce Washington, D.C. 20515

Dear Chair Schakowsky and Ranking Member Bilirakis:

On behalf of the Healthcare Leadership Council (HLC), we thank you for holding a hearing on, "Investing in American Jobs: Legislation to Strengthen Manufacturing and Competitiveness."

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century healthcare system that makes affordable high-quality care accessible to all Americans. Members of HLC – hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, post-acute care providers, home care providers, and information technology companies – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

The COVID-19 health pandemic has highlighted the importance of a robust medical supply chain. During the pandemic, manufactures were forced to quickly scale production of items, such as personal protective equipment (PPE), ventilators and materials for vaccines and therapeutics. Due to the unprecedented cooperation among private and public stakeholders, over 120,000 ventilators were produced through October 2020¹ and over 1 billion N95 masks are expected to be produced domestically in 2021.² This cooperation has also allowed for the development of three vaccines and the delivery of over 487 million doses in the U.S.³ While these partnerships have allowed for swift increases in production, HLC encourages the Committee to examine policies to allow for long-term supply chain resilience for medical supplies.

HLC, through its National Dialogue for Healthcare Innovation (NDHI) initiative on Disaster Preparedness and Response has partnered with the Duke-Margolis Center for Health Policy to recommend future strategies that will lead to better disaster readiness efforts. In this <u>report</u>, we

¹ Shira Stein, *U.S. Will Have Enough Ventilators for Next Wave With New Orders*, Bloomberg Law (September 4, 2020), https://news.bloomberglaw.com/health-law-and-business/u-s-will-have-enough-ventilators-for-next-wave-with-new-orders.

² C. Todd Lopez, *Domestic N95 Production Expected to Exceed 1 Billion In 2021*, U.S. Department of Defense (June 10, 2020), https://www.defense.gov/Explore/News/Article/Article/2215532/domestic-n95-mask-production-expected-to-exceed-1-billion-in-2021/.

³ COVID-19 Vaccinations in the United States, Center for Disease Control and Prevention (October 12, 2021), https://covid.cdc.gov/covid-data-tracker/#vaccinations.

focus on ways to improve supply chain readiness through strengthening stockpiles to prevent supply chain shocks, improving transparency and expanding supply chain capacity. HLC encourages Congress to examine ways to improve communication and coordination between public and private stakeholders to determine best practices in maintaining supply chain resilience. This should include examining regulatory barriers to private coordination among stakeholders so that data can be easily shared to inform output and distribution decisions.

We also encourage Congress to examine incentive structures to improve supply chain resilience for medical supplies. Working with manufacturers to develop modernized supply chain networks domestically will allow greater control over elements of the supply chain and allow for a quicker response in future disaster scenarios. HLC also encourages Congress to provide sustained funding for the Strategic National Stockpile (SNS). We appreciate the House's work to provide over \$900M for the SNS given its essential role in special pathogens disaster preparedness but want to emphasize that regular funding is needed to lessen the burden on supply chains during future disasters.

HLC looks forward to working with you on ways to improve our pandemic response and strengthen the supply chain for critical medical supplies. Please feel free to contact Tina Grande at tgrande@hlc.org or 202-449-3433 with any questions.

Sincerely,

Mary R. Grealy President