

May 21, 2021

The Honorable Chuck Schumer
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Patty Murray
U.S. Senate
154 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Richard Burr
U.S. Senate
217 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Gary Peters
U.S. Senate
724 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Robert Portman
U.S. Senate
448 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Richard Durbin
U.S. Senate
711 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Bill Cassidy
U.S. Senate
520 Senate Hart Office Building
Washington, D.C. 20510

RE: Support for SA 1628 and SA 1803 to The United States Innovation and Competition Act (S.1260)

Dear Senators Schumer, McConnell, Murray, Burr, Peters, Portman, Durbin, and Cassidy:

On behalf of the more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers and organizations united in the Premier healthcare alliance, we write in strong support of bipartisan amendments 1628 and 1803 to The United States Innovation and Competition Act ([S.1260](#)) submitted by Senators Durbin and Cassidy. The amendments strengthen the Strategic National Stockpile (SNS) to better respond to global pandemics while also incentivizing domestic manufacturing and purchasing of critical medical supplies.

Shortages of critical personal protective equipment (PPE), life-saving drugs and other supplies have plagued our nation's response to COVID-19. We learned from the multiple waves of COVID-19 that healthcare supply needs far exceeded the federal reserve of medical supplies in the SNS. Furthermore, the little inventory that the SNS did have was wrought with expired, malfunctioning and archaic products no longer used in the provision of care.

This insufficient supply in the SNS and a lack of national coordination, coupled with an overreliance on offshore manufacturers for restocking vital supplies, forced states and health systems to direct the majority of [stockpiling efforts](#). While most hospitals are seeing greater availability of many types of PPE more than a year into the pandemic, the latest [Premier analysis](#) shows that healthcare supply chain remains fragile and constrained.

Congress can leverage these hard lessons learned and take steps to address gaps that persist in the supply chain by passing legislation to:

- Boost domestic production of PPE, drugs and testing supplies, and
- Strengthen the nation's stockpile of products that healthcare providers need to protect themselves and care for their communities in extenuating times such as future global pandemics, natural disasters, and more. The SNS should be prioritized as a core part of the country's critical infrastructure.

Consistent with [Premier's recommendations](#), the bipartisan amendments, SA 1628 and SA 1803, would create and fund a Department of Health and Human Services (HHS) pilot to:

- Create transparent and diverse sourcing for critical medical supplies by requiring the SNS to procure a percentage of applicable supplies from domestic manufacturers, with safeguards for availability and pricing.
- Test the functionality, readiness and reliability of the SNS at least twice per year and communicate if there is an increased need for supplies.
- Create an efficient and dynamic fulfillment process by leveraging a vendor managed inventory system to promote efficient and predictable operations of the SNS while mitigating the risk of product expiration or shortages.
- Routinely transfer supplies to federal agencies or sell to the commercial healthcare market to mitigate the current risk of product expiration while also funding future replenishments of the SNS.

Together, these actions will provide a launching pad to:

- Help remove one of the major deterrents for manufacturers moving operations onshore, which is a lack of a predictable demand for longer-term purchasing. Premier has done this by teaming up with U.S. manufacturers to boost domestic production capacity for [masks](#), [gowns](#) and other supplies, but we need a commitment by the federal government to scale these types of efforts.
- Allow an efficient means to rotate inventory to ensure the SNS is continuously stocked with in-date products.
- Reduce product waste while providing opportunities for health systems and other providers to purchase at a competitive rate soon-to-expire PPE and testing supplies being rotated out of the SNS.

We applaud your bipartisan commitment to diversifying and stabilizing the healthcare supply chain to address global pandemics and other natural disasters. Please feel free to reach out to Soumi Saha, PharmD, JD, at Soumi_Saha@premierinc.com, with any comments or questions.

Sincerely,



Blair Childs
Senior Vice President, Public Affairs
Premier healthcare alliance