

Global Tariffs & Medtech Threats that Impact Patient Access and Care Delivery

Ensuring Public Health: Would Additional Tariffs Threaten Patient Access in America?



Medical technologies have revolutionized care delivery in the United States.

- Since 1980 accounting for all other factors and clinical conditions medical technologies have added five years to the lifespan of the average American.
- With medtech innovation, disability rates declined by 25 percent from 1982 to 2000, and disability-free life expectancy has increased over time.
- Between 1980 and 2010, advanced medical technology helped reduce the number of days spent in hospitals by 59 percent.

Medical technology is used at different points along the health care continuum, providing Americans with earlier diagnoses, improved surgical methods, and innovations in disease management.

- Since 1980, medical technology has reduced fatalities from heart disease and stroke by more than half and deaths from breast cancer by more than a third.
- For Americans with diabetes, studies have shown that insulin pump usage results in better blood sugar control, resulting in fewer clinical complications, reduced emergency room visits, and decreased hospital admissions.
- Through medtech innovation, it is estimated that the use of colonoscopy/sigmoidoscopy screening tests prevented 560,000 people from developing colorectal cancer.









Increased costs associated with production dampens innovation and leads to fewer lifesaving medical technologies available for Americans.

- Medtech innovation has been crucial in earlier diagnoses, improved surgical methods, and disease management, notably as it relates to the following procedures and conditions: heart disease, diabetes, osteoarthritis, breast cancer, and colorectal cancer.
- In 2023, the FDA approved and authorized the use of 124 new medical technologies, a record high.
- The potential for tariffs to disrupt any aspect of the medtech industry will dampen innovation and ultimately the availability of medical devices accessible to Americans.

Fewer surgeries and procedures in hospitals = reduced patient care and unfavorable outcomes.

- Every day in America, hospitals, ambulatory surgical centers, and other centers perform 136,986 surgeries.
 - Annually there are 34,011,386 patient admissions in the United States that require lifesaving medical technologies.
- U.S. based companies manufacture their products both in the United States and in countries that are trusted trading partners, for cost, logistical reasons such as transportation access, proximity to suppliers and customers (such as large hospital systems or population centers), and other practical considerations.
- Maintaining the level of product output to meet this demand requires companies to navigate complex supply chains, sourcing components and component materials from all over the world for reliability, resilience, and optimal distribution operations.
- Any product shortages caused by steep tariffs will impact the number of surgeries performed in the U.S.
 - If hospitals cannot reliably stock catheters, IV sets, surgical kits, stents, and pacemakers to perform the numerous daily care demands of them, patient care is at risk.



The United States has 6,129 hospitals with¹:

- 919,649 total staffed beds
- 34,011,386 patient admissions annually
- 35,870 operating rooms
- Average of 6 operating rooms per hospital



- 40-50 million surgeries a year in the United States.
- Surgical procedures performed²:
 - Cardiac
 - General
 - Oncological
 - Orthopedic
 - Ophthalmological

Digging Deeper: Focused Ultrasound

- Focused Ultrasound is a noninvasive therapeutic technology with the potential to transform management of serious medical disorders; including prostate cancer, liver tumors, essential tremor, Parkinson's, Alzheimer's, and pain.
- Additionally, both the technology and procedure could serve as a cost-effective alternative or complement to surgery, radiation therapy, or drug-based treatments.
- To date, over 565,000 patients have been treated with focused ultrasound.
 - 70 device manufacturers, 181 clinical indications, 30 mechanisms of action, 371 research sites, 937 treatment sites
- Medtech innovations such as focused ultrasound are at risk of being undermined by tariffs.

¹ aha.org

² https://stanfordhealthcare.org/medical-clinics/surgery-clinic/patient-resources/surgery-statistics.html

Disruptions to the trade and the global medtech supply chain could jeopardize the United States' dominance in medtech innovation.

- Currently the United States is the world's superpower in medtech innovation, enjoying robust trade with its global partners, while creating millions of jobs here domestically.
 - International collaboration offers U.S. customers the steady, predictable supplies needed to sustain medical needs and support nearly two million jobs, direct and indirect, in the United States.
- The United States medtech industry exports \$75 billion worth of products annually.
 One-third of U.S. medtech jobs are dependent on U.S. exports.

The implementation of tariffs, even at a higher rate, will not lead to onshoring in the short and medium term.

- Due to the highly regulated nature of the medtech industry, the process of onshoring production and navigating tariffs will take significantly longer compared to other manufacturing sectors.
 - This is of particular detriment to small medtech companies that often operate with very tight financing.
- Tariffs encourage a manufacturing shift to countries without additional tariffs, where prices may rise due to the country's new market-advantaged position.
- Importantly, many American jobs would be at risk if production from trusted trading partners is slowed.

Medtech supports well-paying careers and job growth.

- Every \$1 billion in advanced medical technology revenue in the U.S. generates an additional \$1.69 billion in national economic output, almost 13,000 jobs, and \$778 million in personal income.¹
- The total economic output by the industry in the U.S. amounts to \$381 billion annually, including direct and indirect and induced impacts on industry suppliers and other sectors.²
- The medical technology industry employs people in all 50 states.³



\$88,096

Average medtech employee salary in 2020

49% higher than the average across all

industries

than the corresponding premium of all manufacturing jobs

18% higher

1-2. "The Economic Impact of the U.S. Advanced Medical Technology Industry," Battelle Technology Partnership Practice, March 2012. 3. "State Economic Impact of the Medical Technology Industry." The Lewin Group, Inc., July 7, 2010.