

Blog Post

How the Trump Tariffs Affect Healthcare

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It's not just pile drivers, combines, and frozen fish. Much of the news coverage has discussed how industrial and agricultural products are subject to new Trump administration tariffs on goods imported from China. However, the list of Chinese products subject to the new tariffs also includes goods more familiar to healthcare providers: items like pacemakers, rubber medical gloves, MRI and CT machines, and sterilizers.

Since April 2018, the United States Trade Representative (USTR) has announced three lists of Chinese products that will be subject to 25% tariffs. Together, the lists cover \$250 billion of imports from China. Tariffs on the first list of goods are already in effect, and imposition of tariffs on the second and third lists is in progress.

Under the direction of President Trump, USTR has the power to impose trade sanctions on foreign countries under section 301 of the Trade Act of 1974, codified at [U.S. Code title 19, section 2411](#). The tariffs are based on what the USTR has determined are discriminatory trade practices by China, including forced transfer of American intellectual property to Chinese firms and stealing of American trade secrets through attacks on companies' computer networks.

As a result, hospitals, health systems, physician groups, and other purchasers of certain products will likely find higher prices – at least in the short term – whether they import directly from China or

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buy from a U.S. distributor. In the near future, though, the effect on the healthcare industry's bottom line might be mitigated if importers are able to source affected healthcare products from countries other than China. U.S.-made versions of the same products might eventually become more readily available and affordable as well. Until then, purchasers of the affected goods should expect to pay higher prices.

Healthcare products affected by the tariffs include:

- Medical gloves of vulcanized rubber other than hard rubber
- Glass serum bottles, vials, and other pharmaceutical containers
- Parts of certain medical, surgical, or laboratory sterilizers
- Photographic cameras for underwater, aerial, medical, surgical, forensic, or criminological purposes, not cinematographic
- Electrocardiographs
- Printed circuit assemblies for electrocardiographs
- Ultrasonic scanning electro-diagnostic apparatus used in medical, surgical, dental, or veterinary sciences
- Magnetic resonance imaging electro-diagnostic apparatus used in medical, surgical, dental, or veterinary sciences
- Scintigraphic electro-diagnostic apparatus used in medical, surgical, dental, or veterinary sciences
- Electro-diagnostic patient monitoring systems
- Ultraviolet or infrared ray apparatus used in medical, surgical, dental, or veterinary sciences and parts and accessories thereof
- Optical instruments and appliances used in medical, surgical, dental, or veterinary sciences, and parts and accessories thereof

- Anesthetic instruments and appliances used in medical, surgical, dental, or veterinary sciences, and parts and accessories thereof
- Electro-surgical instruments and appliances, other than extracorporaeal shock wave lithotripters and parts and accessories thereof
- Other electro-medical instruments and appliances and parts and accessories thereof
- Pacemakers for stimulating heart muscles
- Computed tomography apparatus based on the use of X-rays
- Apparatus based on the use of alpha, beta, or gamma radiations, for medical, surgical, dental, or veterinary use

View the complete lists of products here:

List 1

List 2

List 3

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