

Tariffs on DMEPOS

During the early months of his presidency, President Donald Trump implemented tariffs on certain countries. Many manufacturers in durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) industry source their stock from these countries, prompting the industry to closely monitor the situation to determine whether any exclusions might apply to medical equipment and products.

An increase in tariffs could lead to several key impacts:

1. **Increased Wholesale Costs:** The cost of importing medical equipment from overseas will rise, impacting on the overall expenses for DMEPOS providers. This increase in costs is likely to be passed on to consumers, leading to higher prices for medical devices and supplies.
2. **Access To Medical Equipment:** Higher costs may limit the availability of essential medical devices, making it harder for providers to maintain adequate supplies. This could particularly impact smaller providers who may struggle to absorb the increased costs. The tariffs could also lead to shortages of critical medical supplies, as providers may reduce their orders to manage costs.
3. **Timely Delivery:** The tariffs could exacerbate delays in the supply chain, similar to the disruptions experienced during the supply chain shortage in 2023. The previous shipping crisis had a significant impact on the access and cost of DMEPOS, causing delays and increased expenses. Similar challenges are anticipated with the new tariffs, as increased costs and potential retaliatory measures from affected countries could further disrupt the supply chain.

What Can You Do Now?

Providers may face increased financial pressure, which could affect their ability to deliver timely and affordable care to patients. The industry must prepare for these potential disruptions by:

- **Exploring Alternative Supply Sources:** Identify and establish relationships with new suppliers who are not affected by the tariffs.
- **Increasing Inventory Levels:** Stockpile essential medical supplies to buffer against potential shortages and delays.
- **Advocating For Policy Changes:** Engage with policymakers to advocate for measures that mitigate the impact of tariffs on essential medical supplies.

