



Charles N. Kahn III
President and CEO

**STATEMENT
of the
Federation of American Hospitals
to the
U.S. House of Representatives
Committee on Ways and Means**

**Re: “Examining Chronic Drug Shortages in the United States”
February 6, 2024**

The Federation of American Hospitals (FAH) submits the following Statement for the Record in advance of the House Committee on Ways and Means hearing entitled “Examining Chronic Drug Shortages in the United States.” Managing drug shortages is a continuing struggle for hospitals, impacting patient care, hospital financial health, staffing and information technology requirements. We appreciate the Committee’s leadership in exploring what factors are causing chronic drug shortages in America.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC, and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children’s, and cancer services.

Persistent drug shortages are having an ongoing, negative impact on our patients. They have far-reaching implications, including the implementation of time-consuming and costly measures to ensure our hospitals continue to provide world-class care. Our hospitals report that drugs in short supply are commonly prescribed, essential products, such as opioid injectables, saline, sodium bicarbonate, sterile water, epinephrine, and dextrose.

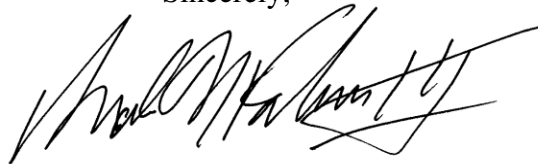
The health care supply chain is complex, with many active participants involved in ensuring adequate access to drugs used to provide hospital care. To alleviate shortages, incentives are needed to bolster production and improve transparency and collaboration with manufacturers and distributors to support a robust supply of products. We encourage the Committee to extensively assess the drug supply chain and look for ways to strengthen the process to ensure that any proposed policies address drug shortages and safety without creating unintended, harmful consequences.

We urge the Committee to consider policy proposals to require drug manufacturers to report potential drug and Active Pharmaceutical Ingredient (API) shortages to the Food and Drug Administration (FDA) in a timely manner. Timely reporting of potential shortages allows the FDA to proactively address and mitigate the impact on patients, health care providers and hospitals, and the broader health care system. By having access to early warnings, the FDA can work collaboratively with manufacturers to identify alternative sources, encourage domestic production, give an early warning to health care providers, and implement strategic measures to prevent or minimize the impact of shortages. This requirement helps maintain a consistent supply of vital medications while fostering transparency and accountability within the pharmaceutical industry, ultimately safeguarding the well-being of patients who depend on these essential drugs.

Finally, we encourage the Committee to pursue policies that create incentives for domestic manufacturing of drugs with a focus on increasing the domestic production of generic drugs, hospital injectables, and hospital products. This approach reduces dependency on foreign sources and bolsters the responsiveness of the supply chain to meet the demands of hospitals and health care facilities. Encouraging the production of generic drugs domestically is essential for enhancing the resilience of our nation's pharmaceutical supply chain, ensuring a stable and reliable source of medications for health care providers and, most importantly, patients.

We look forward to working with the Committee on these critical issues. If you have any questions or would like to discuss these comments further, please do not hesitate to contact me or a member of my staff at (202) 624-1534.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Lomax". The signature is fluid and cursive, with a large initial "A" and "M".