

Economic Impact of Tariffs on Healthcare Costs in Urology

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BACKGROUND / CONTEXT

- In April 2025, the US announced 10% universal tariffs plus higher country-specific tariffs.
- Urology, and surgical care more broadly, relies heavily on global supply chains.
- Healthcare systems, payers, and patients are exposed to rising costs and shortages.
- For the last 25 years, medical inflation (121.3%) has outpaced inflation for all goods and services (86.1%), although medical equipment inflation rose 0.8% during the past year
- However...
 - New tariffs are expected to affect nearly 75% of US-marketed medical devices that are manufactured abroad
 - ~69% of available US-marketed devices are only available from ex-US sources
 - ~13% of the non-US-manufactured devices are imported from China, and a tariff of 55% on Chinese-manufactured products

OBJECTIVES

- To evaluate how tariffs on medical devices and drugs affect urology practice and patient care
- To highlight reimbursement mismatches that may worsen cost burdens
- To identify policy levers for advocacy at the state and federal level.

KEY FINDINGS AND IMPACTS

Tariffs on Medical Devices



- Nearly three-quarters of devices used in US urology are imported.
- Chinese-manufactured devices face tariffs up to 55%
- Likely impacted commonly used devices include ureteral stents, Foley catheters, and prosthetics that will lead to higher costs, possible shortages, and decreased access to care if cost exceeds reimbursement

Tariffs on Medications



- Many drugs undergo multi-country production; Europe is central to quality control and quality assurance prior to US
- New 15% blanket tariff on imports from Europe introduced will impact brand-name and generic drugs
- Risks: higher costs, decreased generic access, exacerbation of drug shortages

Reimbursement Lag & Inflation



- Inpatient prospective payment system (IPPS) and outpatient prospective payment system (OPPS) rates are updated annually → lag behind sudden tariff-driven increases
- Providers may face squeezed margins unless mid-cycle adjustments occur.
- Medical inflation already outpaces general inflation (121% vs. 86% since January 2000)

BROADER IMPLICATIONS

- Global supply chains remain vulnerable to shocks (tariffs, customs delays, pandemic disruptions).
- Costs may shift downstream: higher insurance premiums, more out-of-pocket spending.
- Risk of patients deferring needed devices/implants → worsened quality-of-life outcomes.

POLICY & ADVOCACY RECOMMENDATIONS

- Encourage mid-cycle Medicare reimbursement adjustments for tariff shocks
- Incentivize domestic manufacturing without compromising innovation
- Build redundancy in supply chains to prevent shortages
- Ensure tariff policies undergo health impact analysis before enactment
- Mobilize professional societies to convey consequences to legislators

KEY TAKEAWAYS & CALL TO ACTION

- Tariffs may seem like macroeconomic policy, but they have real, immediate consequences for urological care on the individual patient care level.
- Addressing these macroeconomic policies proactively is crucial to ensuring sustainable, equitable and high-quality urological care worldwide.
- Urologists must amplify these concerns in policy discussions to safeguard patients and healthcare systems.

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