WHAT YOU NEED TO KNOW ABOUT



May 2020

# The U.S. Strategic National Stockpile of

pharmaceutical products and medical goods has been put to the test by the deadly coronavirus pandemic which has quickly exhausted its supplies.

Aided by \$16 billion provided by the recently passed Coronavirus Aid, Relief and Economic Security, or CARES, Act, the Trump administration has been making purchases at home and abroad to meet urgent hospital demand for personal protective equipment, ventilators and other medical supplies, as well as to replenish the reserve.

Previously a part of the Centers for Disease Control and Prevention, the SNS was shifted within the Department of Health and Human Services during the fiscal 2019 budget year to the Office of the Assistant Secretary for Preparedness and Response.

## HOW WE GOT HERE

Congress created a stockpile of pharmaceutical supplies at the request of President Bill Clinton in 1999, initially giving it \$51 million. It was ramped up after the Sept. 11 terrorist attacks on the United States and officially named the Strategic National Stockpile. Since then, it typically has been funded at about \$500 million to \$600 million annually.

Strategic National Stockpile

Congress provided additional money for a few years beginning around 2005 to purchase supplies to respond to any future pandemic influenza. But those supplies were handed out to states in response to the H1N1 influenza pandemic in 2009 and never replenished, former SNS Director Greg Burel said.

Still, by 2016, the stockpile held about \$7 billion in inventory across more than 900 separate product lines, according to a National Academy of Sciences report. The items are stored in six large facilities secretly located around the United States, with the goal of reaching any area in need within 12 hours, the report said.

## The SNS has been activated for numerous crises, including hurricanes

MAJOR EVENTS IN SNS HISTORY

| <b>1999</b>                       | <b>2001</b>                       | <b>2001</b>                            | <b>2005</b>             | <b>2005</b>                  | <b>2008</b>                        |
|-----------------------------------|-----------------------------------|--|-------------------------|------------------------------|------------------------------------|
| Stockpile                         | World Trade                       | Anthrax                                | Hurricane               | Hurricane                    | Hurricane                          |
| established                       | Center attack                     | attacks                                | Katrina                 | Rita                         | Gustav                             |
| <b>2008</b>                       | <b>2009</b>                       | <b>2009</b>                            | <b>2010</b>             | <b>2010</b>                  | <b>2011</b>                        |
| Hurricane                         | H1N1                              | North Dakota                           | North Dakota            | Hurricane                    | Hurricane                          |
| Ike                               | pandemic                          | flooding                               | flooding                | Alex                         | Irene                              |
| <b>2012</b><br>Hurricane<br>Isaac | <b>2012</b><br>Hurricane<br>Sandy | <b>2014-15</b><br>Botulism<br>outbreak | <b>2014-15</b><br>Ebola | <b>2016-17</b><br>Zika virus | <b>2017</b><br>Hurricane<br>Harvey |
| <b>2017</b><br>Hurricane<br>Irma  | <b>2017</b><br>Hurricane<br>Maria | <b>2019</b><br>Hurricane<br>Dorian     | <b>2020</b><br>Covid-19 |                              |                                    |

Note: This does not include all SNS deployments. SNS is also deployed for "frequent, small-scale deployments," including treating individuals with diseases like anthrax and smallpox, and for coordination with Department of Defense Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response





In the first few weeks after the coronavirus pandemic hit the United States, federal officials quickly distributed 90 percent of the stockpile's personal protective equipment to states, big cities and U.S. territories, while keeping the rest for federal use. Despite some controversy, the stockpile was intended to be a fallback supply for states and was not designed to handle extensive needs nationwide.

#### WHAT'S NEXT

A number of bipartisan bills are circulating to reform the SNS. One would make it easier for the stockpile to accept donations from companies and individuals. Another would allow it to sell products when they are no longer needed to reduce waste and raise money to reinvest its supplies.

Reps. Debbie Dingell (D-Mich.) and Jackie Walorski (R-Ind.) have introduced legislation that would authorize \$2 billion over a four-year period to create incentives for domestic manufacturing of critical medical supplies. A separate bill introduced by Rep. Stephen Lynch (D-Mass.) would provide grants to bolster state reserves.

Reps. Joe Neguse (D-Colo.) and Van Taylor (R-Texas) have introduced a 10-member bipartisan commission to assess, strategize and issue recommendations for the best methods to appropriately stock the SNS supply for local, state and national emergencies.

Others have pushed to require only domestic companies to supply the stockpile. The White House has been considering an executive order that would require federal agencies — such as HHS, the Veterans Affairs Department and the Defense Department — to buy medical supplies and pharmaceuticals manufactured in the United States.



House Energy and Commerce Chairman Frank Pallone (D-N.J.)

He and other top lawmakers on the panel have pressed the Trump administration for more detail about its effort to acquire and distribute medical supplies to states.



### Rear Adm. John Polowczyk

He has been in charge of the administration's logistics operation to obtain and distribute much-needed face masks, gloves and other medical supplies to hospitals across the country.

#### **POWER PLAYERS**



**Rep. Rosa DeLauro** (D-Conn.) She has demanded answers from the

administration on how it is spending the \$16 billion appropriated in the CARES Act for the SNS.



Dr. Robert Kadlec, HHS assistant secretary for

preparedness and response His office will play a leading role in restocking the SNS and preparing it for a future crisis.



#### Sen. Patty Murray (D-Wash.)

She and 15 colleagues have accused the administration of mismanagement and scolded it for suggesting the supplies are for the federal government, instead of states.



#### Vice President Mike Pence

As the chairman of Trump's coronavirus task force, he has obtained a detailed knowledge of the capabilities and shortcomings of the SNS.

