



## Memo

To: CALTC Members

Fr: Jodi Hall, CEO

Re: US tariffs

Date: March 3rd, 2025

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Dear CALTC Members,

As Canada faces the impact of tariffs, there have been many discussions about how healthcare overall will be impacted. In considering long term care specifically, there are a number of risks along the supply chain that can be identified that are expected to result in increased costs and potential shortages. There has been several advocating to have tariff exemptions applied to healthcare related products over the last several weeks, but it remains uncertain at this time how tariffs will be applied and if exemptions will be given.

I have had discussions with various stakeholders to better understand the impact US tariffs would have on long term care homes, and identified the following as categories of risk:

- Pharmaceuticals- The Pan-Canadian Pharmaceutical Alliance contracts offer immediate stability for generic medication access through our pharmacy partners, but there is concern about longer term impacts.
- Supplements- Many of these products are manufactured in the US and are high use products in long term care homes, so there are concerns about higher costs resulting from tariffs.
- Medical devices and care supplies- These are regularly utilized products ranging from PPE, resident beds, to wound care items, among many others. Many of these products are manufactured in Asia or the US, and in addition to increased costs, medical devices have the highest amount of concern that shortages will be experienced.
- Food- Fresh produce costs are anticipated to be most impacted by tariffs.
- Building supplies- Tariffs on building supplies, like lumber, are anticipated to significantly increase the costs of these products, which is anticipated to increase costs for long term care home capital renewal and development projects.

- Digital products- It is uncertain if tariffs will be applied against Canada's digital tax, and if so, it's not yet well understood if it will impact digital products used by long term care homes, but it has been flagged as an area to monitor.

I have shared these concerns in meetings with the Minister of Seniors last week, and with the Minister of Health's Senior Policy Advisor and Director of Policy. As well, a letter outlining these concerns has been crafted for the Minister of Finance Dominic LeBlanc, Minister of Health Mark Holland, Minister of Housing, Infrastructure and Communities Nathaniel Erskine-Smith, and Minister of Innovation, Science and Industry of Canada François-Philippe Champagne to highlight these risks and to request that long term care homes be included in any emergency funding program for healthcare.

Efforts will continue to raise awareness on the anticipated impact of tariffs on long term care homes, and long term care homes are encouraged to assess individual risk in their supply chain. Many group purchasing organizations have done an assessment on a "basket of goods" to consider the costs of tariffs on individual products that may be helpful for homes to determine their budget needs and planning on inventory going forward.

I will share updates with CALTC regarding tariffs and any resulting government emergency programs as available.