

Strengthening America's Strategic National Stockpile Act of 2021

Section-by-Section

Section 2: Equipment Maintenance

At the beginning of the pandemic, the Strategic National Stockpile (SNS) was not able to fully support the nation's response efforts because it lacked adequate supplies of critical items like N95 respirators, masks, gowns, and gloves. Despite the important role that the stockpile played in responding to the H1N1 outbreak, these key supplies had not been substantially replenished since 2009, and many items had expired or were nearing their expiration. To ensure that the SNS is prepared to support state and federal response efforts if and when a crisis hits, this section will require the Secretary of Health and Human Services (HHS) to conduct maintenance to ensure that the contents of the stockpile remain in good working order. The Secretary will also be able to enter into contracts to procure maintenance services for the stockpile.

Section 3: Supply Chain Flexibility Manufacturing Pilot

The pandemic highlighted the risks of reliance on foreign manufacturing for critical medical supplies. This section will boost domestic production of critical supplies by establishing a \$500 million pilot program to diversify sources of personal protective equipment, and partnering with industry to replenish existing stocks. With these changes, the HHS Secretary can enter into cooperative agreements with industry partners to increase emergency stock of medical supplies, and geographically diversify domestic production of these supplies. To ensure transparency, the Secretary will be required to submit a report to the Senate Committee on Health, Education, Labor, and Pensions and the House Committee on Energy and Commerce on these cooperative agreements.

Section 4: GAO Study on the Feasibility and Benefits of a User Fee Agreement

This section will take steps to return money to taxpayers when companies profit off of Strategic National Stockpile products. Specifically, this section will require the Government Accountability Office to conduct a study on implementing a user fee to reimburse the stockpile when entities generate profits from stockpile distributions. The study will examine the profits generated, the Federal costs of these distributions, the benefits of a user fee for offsetting procurement costs, and whether regular appropriations would facilitate more long term investments.

Section 5: Grants for State Strategic Stockpiles

This section will establish a \$3.5 billion pilot program to award grants to support state efforts to expand and maintain their own stockpiles. States can use these funds to acquire, maintain, and distribute medicines, medical devices, and personal protective equipment essential to responding to a public health emergency. States are required to match these grants with equal amounts of funding, with an option for the Secretary to waive the matching requirement for the first two years. The HHS Secretary will also provide technical assistance to support states in establishing and maintaining their stockpiles, and states will annually report the contents of their stockpiles.

Section 6: Action Reporting

To bring transparency to past stockpile allocations, this section will require the Secretary to report to Congress any stockpile requests made during the COVID-19 pandemic. These reports will include the details of each request, such as the amounts and specific supplies requested, and the outcome of each request. If a request was denied or only partially fulfilled, the report will provide the rationale and a public health assessment of the outcome of this decision.

Section 7: Improved, Transparent Processes

During the pandemic, states struggled to understand the make-up of the stockpile and how to go about requesting key supplies. This section will require development of improved, transparent processes for distribution of goods from the stockpile and provide states with clear, transparent guidelines on how to request distributions from the stockpile. Specifically, this section will require the Secretary to provide states with guidelines on requesting distributions from the stockpile, and report to Congress on the improved process and opportunities for communication with states.

Section 8: Authorization of Appropriations

To ensure that there are sufficient resources to support the Strategic National Stockpile during these reforms, this section will increase the annual authorized funding for its operations from \$610 million to \$705 million for fiscal years 2022 through 2024.