Testimony of Brandon Daniels
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United States Senate Special Committee on Aging
Hearing on America's Dependence on Foreign-Made Pharmaceuticals and Risks to Seniors
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Opening Statement

Chairman, Ranking Member, and distinguished Members of the Committee, thank you for the opportunity to testify on this urgent issue. My name is Brandon Daniels, and I am the Chief Executive Officer of Exiger. Exiger develops and deploys advanced data analytics and artificial intelligence (AI) to illuminate risks hidden deep in global supply chains. We work with federal agencies, organizations across the defense industrial base, and Fortune 500 companies to identify vulnerabilities in their supply chains before they become crises. Today, I am here to share with you what our technology reveals about our nation's overreliance on foreign pharmaceutical production and the risks that poses for our seniors, for our healthcare system, and for our national security.

Exiger's Technology Applied to Healthcare Supply Chains

Exiger's technology has been deployed across the healthcare sector, from automating vendor risk assessments and monitoring for large healthcare providers to pharmaceutical supply chain mapping for federal agencies and enabling product developers to comply with regulators' cybersecurity requirements. Exiger is also a Preferred Cybersecurity & Risk Provider of the American Hospital Association, which represents nearly 5,000 hospitals, healthcare systems, networks and providers across the country. The AHA Preferred Cybersecurity Provider (APCP) program helps hospitals and health systems prepare, prevent and respond to today's pressing cyber threats by connecting members with highly trusted, vetted and accomplished cybersecurity service providers.

Exiger's drug mapping technology generates detailed pharmaceutical 'Bills of Materials' for individual medicines. Using this technology, our company has mapped all 227 essential medicines, detailing attributes and potential sources of supply, mapping hierarchies of finished drugs with their constituent ingredients. Drug by drug, we have uncovered numerous unique formulations of ingredients, technical characteristics and countries of origin. Our technology automatically maps drug ingredients, active pharmaceutical ingredients, excipients and chemical precursors.

Exiger also recently published a breakthrough report, *A Bitter Pill: America's Dangerous Dependence on China-Made Pharmaceuticals,* which examined 2,309 companies to surface risks

associated with the supply chains of manufacturers of active pharmaceutical ingredients (APIs) in injectable antibiotic, diabetes, and heart disease therapeutics.

America's Dangerous Dependence

Our analysis reveals that the nation's most essential healthcare programs have become structurally dependent on foreign supply chains. Nearly three-quarters of essential medicines in this country are sourced overseas, with China and India dominating global production of active pharmaceutical ingredients. For example, India supplies about half of all generic drugs used in the U.S., yet it depends on China for 80% of those generic APIs. That means that a Medicaid prescription filled at a pharmacy in Ohio or a Medicare prescription processed in Florida can often be traced back to a Chinese supplier.

This dependency is particularly acute in antibiotics and other common generics. China alone produces almost 90% of the world's antibiotic key ingredients. These are not luxury items; they are everyday medicines relied upon by seniors and low-income patients with chronic conditions. In effect, China holds the choke points for the very therapies that Medicare and Medicaid must reliably and affordably deliver to tens of millions of Americans.

The financial flows behind these supply chains are equally troubling and in many cases mean that taxpayer dollars, through Medicaid and Medicare, are underwriting foreign firms that depend on Chinese suppliers — and in some cases, companies directly owned by the People's Republic of China (PRC) government or connected to the Chinese Communist Party's (CCP) forced labor programs.

One of Medicaid's largest generic drug suppliers, for example, which was reimbursed for more than 11 million prescriptions in 2024, sources its ingredients from at least half a dozen Chinese firms implicated in labor abuses and national security concerns. That year, Medicaid reimbursements to this single firm totaled more than $150 million, even as its upstream supply chain reinforced China's dominance. When we consider that dual-eligible patients, who account for just 14% of Medicaid enrollment, consume more than one-third of the program's spending, the picture is stark: America's most vulnerable populations are the most exposed to foreign disruption.

From a strategic standpoint, we're at risk of actively financing foreign dependency. Every dollar reimbursed by Medicaid or Medicare to a generic drug provider sourcing from China strengthens Beijing's leverage over our medicine cabinet. This is not only a public health vulnerability but also a geopolitical liability. It creates the possibility that, in a moment of geopolitical crisis, access to basic medicines could be restricted, prices manipulated, or quality standards further

eroded in ways that directly threaten the health and safety of millions of Americans, especially seniors that rely on these programs.

Unless Congress and the administration act on this crisis, billions of American taxpayer dollars spent on Medicare and Medicaid will continue to flow to Chinese and Chinese-funded companies implicated in forced labor and state control. This represents an ethical failure and a national security risk.

The strategic imperative for Congress is clear. We must reorient these vital programs to support supply chain diversification, transparency, and domestic resilience. If we fail to do so, the very mechanisms designed to protect our seniors will remain instruments of dependency that threaten their health and our collective national security.

Quality and Human Rights Concerns

Exiger's technology reveals that the sector's supply chain vulnerabilities are compounded by widespread lapses in manufacturing quality and ethical standards abroad. In recent years, American patients have been directly harmed by contaminated and counterfeit medicines originating overseas. Contaminated eye drops produced in India caused permanent vision loss for seniors in the U.S. Blood pressure medications and diabetes treatments imported from Asia were recalled after being found to contain carcinogenic impurities. These are not isolated incidents but part of a broader pattern of falsified inspection records, substandard facilities, and regulatory failures that put millions of Americans at risk. The risks are amplified by the fact that more than 30% of new Food and Drug Administration (FDA) import alerts target Chinese producers, and another 16% involve Indian manufacturers, meaning the very countries on which we depend most are also the most frequently flagged for safety violations.

Even more troubling, our data show that forced labor is woven into these pharmaceutical supply chains. Chinese state-owned enterprises with documented links to Uyghur forced labor in Xinjiang supply raw materials and active ingredients that ultimately find their way into drugs consumed by Americans. For example, Chinese state-owned companies such as Sinopharm and Zhejiang Shindai Chemicals have been flagged for their use of forced labor, yet their products continue to move through intermediaries and reach the U.S. market. Medicaid's largest generic drug supplier alone has sourced from at least six Chinese firms with such ties, meaning that taxpayer dollars are financing medicines tainted not only by safety risks but by the CCP's human rights abuses.

The problem extends beyond pharmaceuticals into the supplements and vitamins heavily consumed by seniors. Consider GNC. This is a company ultimately owned by a Chinese state-owned pharmaceutical conglomerate. The company operates more than 80 stores on U.S.

military bases and hundreds more across the country, putting Chinese-controlled retail supplements directly into sensitive communities. As our research has documented, GNC's supply chains rely overwhelmingly on Chinese imports, leaving even basic vitamins and supplements susceptible to foreign control. Perhaps most concerning, GNC's contract manufacturer admitted to defrauding U.S. customs by misclassifying shipments of vitamins and supplements in order to avoid tariffs. And, still, the company continues to import tens of thousands of tons of raw materials from China into the American market.

Taken together, these findings illustrate that seniors in this country may be taking medications and supplements produced not only in unsafe and unsanitary conditions but also in direct violation of U.S. law and our core values. These overlapping factors create instability for our seniors, and the programs, products and supply chains they depend on. If we cannot guarantee the integrity of the drugs and health products our citizens consume, then the health of millions—and the trust they place in programs like Medicare and Medicaid—can be leveraged by adversaries for coercion.

National Security Risks

Our adversaries know that America's medicine cabinet is filled by foreign producers. Chinese state media has, in fact, suggested on occasion that drug exports could be withheld as a weapon in conflict. That possibility alone should set off alarm bells. If foreign governments can manipulate access to insulin, antibiotics, or blood thinners, they hold leverage over not just the health of our seniors but also the readiness of our military and the stability of our economy.

As Chairman Rick Scott has rightfully flagged, 54% of the Department of Defense's (DoD) pharmaceutical supply chain is classified as "high" or "very high" risk, given heavy reliance on non-compliant foreign suppliers in China and India. This vulnerability transforms routine medications into strategic leverage. Should supply access be manipulated or constrained, the impact would be felt not just by civilians but also across our armed forces.

The urgency of action cannot be overstated. When America cannot guarantee the integrity, stability, and availability of medications—especially for our seniors and military—our entire system becomes vulnerable to coercion, disruption, or sabotage. Ensuring pharmaceutical security is essential to preserving both the health of our citizens and the strength of our nation. It's time for Congress to act.

The Path Forward

The good news is that these risks are not insurmountable. Our data and technology point to clear pathways to resilience if we act with urgency and purpose. The challenges are complex, but the solutions are within reach.

- Invest in Domestic Capacity: The U.S. must expand its ability to produce critical medicines at home, particularly antibiotics and emergency drugs for which we currently have no reliable domestic suppliers. This requires targeted incentives for manufacturers, the use of the Defense Production Act where appropriate, and long-term procurement commitments that give industry the confidence to invest.
- Diversify and Secure Supply Chains: We must reduce our overreliance on China and India by building trusted supplier networks in allied nations and requiring redundancy in all federal procurement contracts. No federal program—Medicare, Medicaid, the Department of Veterans Affairs, or the Strategic National Stockpile—should ever depend on a single country for its supply of essential drugs.
- Prioritize Transparency Through Technology: AI-powered technologies offer enhanced capabilities that allow regulators and private companies alike to achieve new levels of transparency into supply chains. Congress must demand transparency and traceability in pharmaceutical supply chains down to the raw material level.
- Strategic Stockpiles and Stress Testing: Congress should empower the Department of Health and Human Services to expand and modernize the Strategic National Stockpile of essential medicines, vaccines, and medical devices. In addition, the federal government should conduct regular "stress tests" of the pharmaceutical supply chain to simulate worst-case scenarios like a sudden Chinese export ban or an Indian manufacturing shutdown, so we can identify weak points before they fail.
- Harness the Power of Group Purchasing Organizations (GPOs): Congress should incentivize the use of GPOs as a tool to accelerate the reshoring of critical medicines. By aggregating demand across hospitals, health systems, and federal programs, GPOs can offer manufacturers the long-term, large-scale purchase commitments needed to justify investment in U.S. and allied production capacity. This collective purchasing power reduces cost volatility, creates predictable revenue streams, and makes it financially viable to rebuild secure, domestic supply chains. Used strategically, GPOs can transform fragmented demand into a national lever for resilience.
- Eliminate Forced Labor: Enforcement of the Uyghur Forced Labor Prevention Act must extend to pharmaceuticals, ensuring no American patient consumes medicine tainted by coercion or human rights abuses. This requires third-party audits of high-risk suppliers and the addition of known offenders to federal import restriction lists.
- Strengthen FDA Oversight and Modernize Inspections: Regulators need the resources and authority to close the gap in foreign facility inspections. That means hiring more FDA inspectors, investing in real-time monitoring technologies, and requiring overseas

producers to share digital quality data. Import alerts must be enforced swiftly and remain in place until corrective actions are independently verified.

- Leverage Advanced Research Pathways: The Biomedical Advanced Research and Development Authority has demonstrated the power of advanced research investments in biodefense and medical countermeasures. By extending its remit to include critical generics and antibiotics, we can accelerate the development and domestic production of therapies that safeguard both civilian health and military readiness.
- Pass the MAPS Act: The MAPS Act mandates full supply chain mapping for essential drugs—from raw ingredient to distribution—while requiring the DoD to report on U.S. reliance on critical components sourced from adversaries like the PRC.
- Reintroduce the BIOSECURE Act: Congress has already begun to confront these risks through bipartisan measures such as the BIOSECURE Act, which would restrict federal contracts with biotechnology companies that pose national security threats. Expanding this framework to cover pharmaceutical supply chains would help ensure that taxpayer dollars are not reinforcing adversarial control over our medicine cabinet.

Conclusion

The stakes here could not be higher. Seniors who rely on Medicaid and Medicare for affordable medications are already experiencing shortages, price spikes, and safety risks that can be tied to our dependence on foreign manufacturers. If we do not act now, these vulnerabilities will only deepen, and one day could be weaponized against us.

Our data paints a picture of the problem. But data alone is not enough. What is needed is decisive action to rebuild secure, transparent, and ethical supply chains, to reduce dependence on adversaries, and to protect the health of America's seniors. Exiger is proud to support this mission, and I look forward to working with you to ensure that the medicines in every American household are safe, reliable, and free from the grip of foreign adversaries.