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Compliance professionals find some relief under PREP Act

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Companies that are switching production lines to help produce critical medical equipment have a measure of liability immunity under the Public Readiness and Emergency Preparedness Act (PREP Act).^[1] The act authorizes the secretary of the U.S. Department of Health and Human Services (HHS) to issue a declaration granting immunity from tort liability claims (except willful misconduct) to individuals or organizations involved in the manufacture, distribution, administration or use of medical countermeasures.

Compliance professionals in companies that are switching production, distribution or development supply chains to accommodate Defense Production Act requirements, for example, must establish entirely new ones within a very short time frame. This expedited movement presents a host of risks as vendors, suppliers and distributors are not subject to as rigorous a vetting process as they might have been before the pandemic. Companies—big and small—are caught up in the net, and the PREP Act declaration does provide breathing room for compliance professionals aware of the risks of suddenly retooling an entire production line.

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