

Re-engineering the Health Care Supply Chain: A CQO Thought Leadership Discussion Series

The Manufacturer and Distributor Perspective on Building Supply Chain Resiliency

“Re-engineering the Health Care Supply Chain: A CQO Thought Leader Discussion Series” is hosted by AHRMM's Cost, Quality and Outcomes (CQO) Movement sponsors. This webinar series focuses on how the health care supply chain will evolve and be more resilient in the post-pandemic environment.

The first webinar of the series held on June 12, 2020, “The Manufacturer and Distributor Perspective on Building Supply Chain Resiliency”, presented a discussion between manufacturer and distributor partners on changing strategies relating to COVID-19 lessons, domestic versus international production and ways providers, distributors and manufacturers need to work together moving forward. A summary of the conversation is provided below.

Panelists:

- Christine Arme, Vice President Healthcare Systems & Strategic Channels, Medical Solutions Division, 3M Health Care Business Group
- Lisa Hohman, CEO, Concordance Healthcare Solutions
- Ruben Taborda, Senior Director, Hospital and Distributor Supply Chain Solutions, Johnson & Johnson

Moderator:

- Karen Conway, Vice President, Healthcare Value, GHX.

If we were to face this kind of pandemic again, what factors do you think would increase supply chain's resilience?

- Improved relationships with regular communication throughout all aspects of supply chain
- A move toward “just-in-case” supply models instead of “just-in-time”
- Federal reforms around national safety stock-how it is prepared, used, and improved
Utilize technology for demand planning, procure to pay automation, and improved visibility and traceability, etc.

There have been many calls to increase domestic production of health care supplies. Are you making changes in this regard?

- 3M is committed to manufacturing in the U.S. and will expand operations moving forward to addressing issues including the N95 components that were manufactured outside of the US which held up production
- Johnson & Johnson is a global company and will continue global sourcing while striving to improve internal processes
- Increase digitalization by transacting GTIN's and leveraging the GDSN system
- Ensure that essential products are sourced domestically or from within North America is key. This requires ranking the importance of different products and supply chains and identifying which governments can be relied upon and which should be avoided.

What are the things you are doing in your organization to help hospitals? What can hospitals do to help you help them?

- Greatly increasing information sharing while continuously collaborating and communicating
- Demand planning shifting from reactionary to more accurate forecasting, starting with PPE and now expanding to other areas
- Johnson & Johnson identified problem areas and implemented solutions
- To increase elective surgeries, 3M worked closely with AdvaMed to provide information to make patients feel safe about returning to hospitals and standardizing requirements for reps and clinical teams that support surgeries

Is this going to require a complete reconstruction of the health care supply chain or is this more about specific changes in specific areas?

- No complete reconstruction of the health care supply chain is needed
- Important and necessary changes must be made
- Take best practices from other industries for improvement
- Collaboration and digital integration are key
- CQO is carving a path forward that best serves patients

What do providers, manufacturers and distributors need to do to work together in order to avoid misalignment?

- Improve information sharing and connectivity
- Implement technical solutions
- Develop education for government officials about health care supply chain complex intricacies
- Develop a central exchange for standard supply chain information and data, similar to consumer industries
- Develop early warning indicators to allow suppliers to prepare for crises

With respect to the eventual development of a vaccine: what preparations are you making in terms of supplies (needles, syringes, and other necessary goods)?

- Working to return to a stable equilibrium for standard supplies and will determine products needed for a vaccine
- Strategize how to maintain supply of gloves and syringes that will most likely have shortages
- Johnson & Johnson is developing a vaccine with minimal adverse reactions

Final comments before we wrap up?

The panelists called out the hard work that so many people put into responding to this crisis. They were heartened to see the industry come together and do what was best for patients and health care workers. Panelists have seen leadership, agility, and heroism, not just on the front lines but also behind the scenes. Contributing to the improvement of the human condition is a wonderful thing to be a part of.