

Supply Chain Resource Council (SCRC) Report

October 24, 2022 Meeting

Executive Summary

U.S. diesel reserves and major rail unions rejection of a tentative contract top the list concerns from a broader supply chain impact. Closer to home, labor and inflationary concerns including wage adjustments and fuel surcharges are top of mind concerns for supply chain professionals. Product line reduction and exit decisions by suppliers, PPE pricing and availability, Uganda's Ebola outbreak and a rise in respiratory-related illnesses including respiratory syncytial virus (RSV) buffet national and international supply chains. As a result, a number of "pulse" survey polls have been sent to SCRC members covering a wide range of topics. Summary survey finds can be found in this month's report along with an updated list of key shortages shared by council members in our SCRC Watch section.

Aggregated member attendance information is at the bottom of this report.

▲ Supply Shortages and Disruptions Update

1. PPE availability continues to be strong with council members reporting no use of non-traditional suppliers to augment existing PPE needs.
2. On-hand inventory levels and product availability challenges continue with single-use, reusable non-sterile blood pressure cuffs. A memo from Stryker is included with this report. In addition to raw materials impact, council member conversations with manufacturer's products teams revealed that non-sterile cuffs are being sterilized as a part of the reprocessing protocol and associated with the product's 510K approval, which is compounding the issue of product availability.
3. Product discontinuations notices impacting procedure trays and Endomechanical products were discussed. A memo from BD listing the discontinued procedural trays, and a memo from J&J listing the discontinued Endomechanical products are included with this report. Complicating the Endomechanical situation is the use of products with OEM generators. ECRI published a report with functional equivalents. Click [here](#) to access the report.
4. Medical gases, specifically CO2 and Helium, continue to be an area of concern. Current reports show that hospitals in the northeastern states are being impacted with some experiencing allocation of existing orders. We continue to monitor this situation and the potential for expansion of the shortage into the central and western states.
5. The July 11th SCRC report shared a letter (attached) from helium storage contract holders who each have distinct contracts for storage and delivery of helium with the Building of Land Management (BLM) and each owner of helium stored within the Federal Helium System (FHS). AHA sent a letter regarding the disposal of the FHS, and has received a formal response (attached) from the BLM. The good news is the BLM is scheduled to meet with representative from the FDA's Resilient Supply Chain Task Force regarding the upcoming sale.

▲ SCRC Polls and Summary Responses

Value Proposition: How Supply Chain and Supplier professionals are exploring and engaging in value conversations beyond product cost in a Post-COVID environment.

- Supply chain professionals shared a variety of strategies including risk/gain sharing and additional education and onsite support; creative payment terms; shared data and technology platforms and other potential shared resources; provider supply chain professionals meeting with supplier supply chain professionals; sharing forecasts and demand planning data; SKU rationalization and reduction; shortening the supply chain where appropriate; logistics and waste reduction efforts; review/reduce supplier overhead (SG&A) expense.

Forced Labor in Health Care Supply Chains: What Hospitals Leaders Need to Know

- Three questions were shared across the SCRC. Below are the questions and aggregated responses:
 1. Are you currently utilizing any tools or resources to identify trading partners accused of engaging in forced labor/unfair labor practices? Yes/No. If yes, what tools/resources are you using?
 - a. Overall response was that health care organizations are not utilizing tools or resources
Consideration: tools/resources may not currently exist.
 2. Do you have formal or informally defined processes in place should one of your trading partners be accused of engaging in forced labor/unfair labor practices? Yes/No.
 - a. Overall response was that health care organizations did not have formal processes in place.
 3. Suggestions for raising awareness and improving visibility into forced labor/unfair labor practices in the health care supply chain.
 - a. "Country of Origin - we don't know what is made where."
 - b. "Forced labor must be part of the manufacturer-distributor-consumer inquiry like diversity identification."
 - c. "Incorporate as part of the supplier background checks/onboarding process – with third party solutions."
 - d. "Opportunities for GPO's during the contract process to identify firms associated with documented 'bad behavior.' Individual hospitals do not have the time, knowledge or resources to adequately discriminate good firms from bad in this area."
 - e. "Recommend more education / seminars to heighten awareness and understanding. While I am familiar with the history surrounding these practices, I had assumed that regulation had been enacted to resolve. Some retailers require suppliers to provide detailed information about production sites before agreeing to sale of product – this is something that could be added into health care contracting practices."
 - f. "Perhaps an OpenPayment.gov type site to list firms in violation."

We assessed PPE pricing across the field to better understand if today's PPE pricing was higher, the same or lower than pre-pandemic pricing.

- The majority of the responses came in with pricing being higher. Prices remaining the same was a close second. One organization responded that their prices came down "a little due to the market saturation due to the pandemic."

▲ SCRC Watch List – Raising awareness to growing supply shortages

- Sterile water and infant/pediatric beds are in short supply due to the recent surge in RSV cases. Ventilator use may be increasing with one DVR participant expressing the need for additional Servo respirators. We continue to closely monitor this situation and our policy team has shared our concerns with the appropriate agencies.
- Skin Staplers
- Optral – PAPRs, CAPRs
- Significant problems with Phillips respiratory vent and commodity products
- Kangaroo Infant feeding sets
- Liquid acid components for hemo-dialysis used in Out Patient Centers. 55 gallon drum concentrates
- Zimmer/Biomet: Arcos Stem, CNE PRX, Size A, 50MM and Screw, LG Subtroc, 4.7mm-Hex, 11x100mm. There currently is no ETA regarding stock availability.

About the Supply Chain Resource Council (SCRC)

The Supply Chain Resource Council (SCRC) convenes 88 supply chain and health care leaders from across the health care field with the goal of understanding the extent and impact supply shortages and disruptions are having within the hospital and patient care settings, as well as a capturing and documenting solutions to these challenges. Information collected during these calls is drafted into a report and shared with AHA, AHRMM and Professional Management Group (PMG) leaders, the White House Response Team, various Federal Agencies and the broader health care field. *The content of this report represents information, strategies and solutions from SCRC members but does not necessarily reflect policy positions of the AHA.*

Aggregated member attendance information for the October 24, 2022 SCRC meeting is below.

Title	Organization Type	Number of Beds	Purchasing Budget/ Spend	Region
Director Outpatient Public Policy	Association	N/A		3
Quality and Regulatory Affairs Executive	Association	N/A		
Corporate Director, Supply Chain	Hospital	800		4
Chief Contracting Officer	GPO	N/A		3
Director of Materials Management	Hospital	250	\$10 - \$25 million	8
Clinical Value Analysis Manager	Hospital	1100	\$5-\$10 million	3
President	Services	N/A		2
President	Services	N/A		1
Vice President – Global Supply Chain Solutions	Services	N/A		2
Vice President, Enterprise Supply Chain	Hospital	550	\$100-\$500 million	2
Vice President, Healthcare Value	Services	N/A	\$500,000 - \$1 million	8
Program Manager: Healthcare Supply Chain Collaborative	Association	N/A		3
Vice President, Supply Chain Services	Hospital	2,542		5
Senior Director, Demand Planning	Hospital			9
Vice President, Supply Chain Operations	Hospital	24,000 licensed beds	More than \$500 million	4
Director, Supply Chain Management	Hospital	220		6
Vice President, Supply Chain Solutions Group	Hospital	550	\$2-\$3 Million	3
Manager, Business Continuity Supply Chain	Hospital	2,059	More than \$500 million	6
Director Materials Management	Hospital	60		9
Chief Medical Officer	GPO	N/A	\$50 - \$100 million	9
System Vice President and Chief Supply Chain Officer	Hospital	886		6
Director Supply Chain	Hospital	494		5
Senior Director	Hospital	1,689		4
Chief Executive Officer, Mountain Division Supply Chain	Hospital	1,715		8 & 9
Vice president, Supply Chain Munson Healthcare	Hospital	442		5
President	Services			1
Vice President, Industry Association	Distributor	N/A	\$10 - \$25 million	3
SVP Supply Chain	Hospital	1,251	\$100-\$500 million	2
Executive Director Supply Chain	Hospital	900	\$100-\$500 million	4
Associate Executive Director	Association	N/A	\$500,000 - \$1 million	5
CEO	Services	N/A		9
CEO, Founder	Services	N/A		5
Vice President Supply Chain and Support Services	Academic Medical Center	850	\$10 - \$25 million	4
VP Supply Chain	Hospital	2800	\$2-\$3 million	2
OR Supply Chain Manager	Hospital	1300	\$25-\$50 million	
Chief Supply Chain Officer	Academic Medical Center	918	More than \$500 million	4
AVP, Contract and Program Services	GPO	N/A	More than \$500 million	7

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The Supply Chain Resource Council (SCRC) convenes over 70 supply chain and health care leaders from across the health care field with the goal of understanding the extent and impact supply shortages and disruptions are having within the hospital and patient care settings, as well as a capturing and documenting solutions to these challenges. Information collected during these calls is drafted into a report and shared with AHA, AHRMM and Professional Management Group (PMG) leaders, the White House Response Team, various Federal Agencies and the broader health care field. *The content of this report represents information, strategies and solutions from SCRC members but does not necessarily reflect policy positions of the AHA.*

Aggregated member attendance information for the July 11, 2022 SCRC meeting is below.

Organization Type	Number of Beds	Rural/Urban/Suburban	Purchasing Budget/Spend	Region
Association	N/A	rural, suburban, urban		
Hospital	550	urban	\$2-\$3 Million	3
Academic Medical Center	1,000	urban	More than \$500 million	9
Distributor	N/A	rural, suburban, urban	\$10 - \$25 million	3
Hospital	60	rural		9
Hospital	550	rural, urban	\$100-\$500 million	2
Hospital		rural, suburban, urban		9
Hospital	26,000	rural, suburban, urban	More than \$500 million	5
GPO	N/A	rural, suburban, urban	More than \$500 million	
Hospital	24,000 licensed beds	rural, suburban, urban	More than \$500 million	4
Association	N/A	rural, suburban, urban		3
Services	N/A	urban	\$500,000 - \$1 million	8
Hospital	1100	urban	\$5-\$10 million	3
Hospital	886	urban		6
Association	N/A	rural, suburban, urban		3
Hospital				
Hospital	629	rural, suburban, urban		6
Hospital	250	rural, suburban, urban	\$10 - \$25 million	8
GPO	N/A	rural, suburban, urban		3
Hospital				
Academic Medical Center	918	urban	More than \$500 million	4
Services	N/A	rural, suburban, urban		
Distributor	N/A	rural, suburban, urban	\$10 - \$25 million	3
Hospital	2,059	rural, suburban, urban	More than \$500 million	6
Hospital	91	urban		6