

Supply Chain Resource Council (SCRC) Report

September 11, 2023 Meeting

Executive Summary

The Council members revisited a number of recent and recurring shortages, some sobering weather created conditions with unknown impacts to the health care supply chain at this time, and some positive updates. A new addition to the “watch list” is the Cardinal Monoject™ Luer-Tip Syringes where seven lots have been placed on a quality hold. More details on these shortages and other updates from the field can be found in the full report below.

▲ Shortage Updates

- **CO2 availability.** There have been reports of companies receiving notices in recent weeks regarding supplies of CO2 and other medical gases, indicating these will be further constrained due to maintenance at production facilities. I’m glad to report that results from an email poll and a live poll during our September call revealed that Council members are not experiencing issues with inventory levels or sourcing of CO2.
- **Fetal Scalp Electrodes.** This shortage situation was first reported back in November 2022 when Philips issued an Urgent Medical Device Correction notice. Cardinal Kendall™ Fetal Spiral Electrodes have been utilized in the absence of the Philips product. Cardinal reported a machinery failure in March 2023 that impacted their production capacity. According to their Dear Customer letter, Cardinal expected product to begin arriving at their distribution centers in August. At this time, Council members continue to report supply challenges in sourcing the Cardinal Fetal Scalp Electrodes.
- **Baxter CRRT.** In August, a shortage situation regarding Baxter CRRT solutions was brought forward by one of the Council members. At this time, SCRC members are not being impacted and the reporting organization has been able to absorb the shortage as a result of clinical and supply management practice changes. Outreach efforts to Baxter resulted in a call with one of their Renal representatives who indicated their production facilities were at full capacity – information that they share with the FDA on a monthly basis.
- **Abbott Adult Nutritional Packs.** Abbott is forecasting a period of low inventory or out-of-stock status on their 8-fl. oz. Abbott Recloseable Container (ARC) products. Additionally, Abbott has shared a table listing products that are currently low in inventory or that have been deprioritized and will continue to experience long-term out of stock disruptions (*See attached Dear Customer letter*).
- **Multiple shortages for Olympus vacuum curettage products.** Three products have been identified in the *attached Olympus Recovery letter*. Below is an overall summary and suitable substitute for the 3/8” tubing set.
 - VC-10 pumps are on backorder due to a shortage of a key component. The backorder situation is expected to last through the end of the year.
 - 3/8” (#23116) tubing sets are experiencing delays of some components. Product is expected to be shipped to customers the beginning of November. If you are in immediate need, Olympus has validated and recommends MedGyn Inc., Catalog Item No. 022310 as a suitable substitute for Catalog Item No. 23116.
 - Their Vacurette manufacturer has updated product packaging to ensure that all products meet Olympus quality standards. Backorders will be ongoing, and Olympus expects to be on a rolling backorder as demand continues to exceed capacity.

- **Panama Canal.** Drought conditions continue to impact the Panama Canal. Lower water levels have resulted in a reduction of daily vessels passing through the canal from 36 down to 32. Other notable statistics include:
 - Over 40% of U.S. consumer products from Asia pass through the Panama Canal. While the percentage of medical supplies is unknown, the question has been raised in hopes of better understanding the potential impact to the health care supply chain.
 - Alternative routes, including the Suez Canal, can add up to 20 days additional transit time.
- **LSL/Midwest Sterilization.** Information shared by two Council members reported LSL Healthcare, a category-leading manufacturer of disposable medical devices, IV start kits, surgical procedure kits, and hospital supplies stated their contracted sterilization supplier (Midwest Sterilization Corporation) was executing an immediate shutdown of their (Jackson, Missouri) facility due to an internal maintenance failure.

Since then we have received updated information from one of our GPO Council members, who have not heard of any additional suppliers being impacted due to the Midwest Sterilization maintenance issue. Midwest representatives shared during a phone call that their equipment was down for a brief period of time. They further shared the replacement equipment was scheduled to arrive early the week of 9/5 to be installed, and were optimistic they would be able to resume operations at full capacity by the end of that week. As a result, we are hopeful the scope of impact will be limited.

▲ Supply Chain Watch List – supply shortages causing concern in the field

- **Cardinal Monoject™ Luer-Tip Syringes.** Cardinal has placed a quality hold on specific lots of seven SKUs of Monoject™ Luer-Tip syringes (*See attached Dear Customer letter*). The hold was placed in response to complaints related to:
 - Syringes not being recognized by syringe infusion pumps.
 - 1 mL Monoject™ Tuberculin Luer-LockTip syringes not delivering the entire expected volume when used with a needleless IV connector.
- **Tourniquet cuffs.** Stryker released a statement stating they should begin selling product in September at which point they will begin by filling backorders.

About the Supply Chain Resource Council (SCRC)

The Supply Chain Resource Council (SCRC) is comprised of more than 90 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.*

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