

Supply Chain Resource Council (SCRC) Report

August 29, 2022 Meeting

Executive Summary

Semiconductors, Tyvek and resin shortages constitute the primary raw materials responsible for a number of finished goods/supply shortages. Aside from this, the news coming out of this call was upbeat with a handful of good news concerning contrast media (supplies are improving); infant formula (no shortages reported); and medical gases (no CO2 allocations imposed on hospitals located in the Northeast and hospital members in general, or current impact to Lab operations or MRI utilization due to helium shortages).

Most concerning were shortages of single use non-sterile blood pressure cuffs, sterile prefilled flush syringes, and BD procedure trays. Details are reported below in the full Council report.

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

▲ Field Updates

1. Medical Gasses were discussed, specifically helium and CO2 availability. Hospital members reported no impact, while medical device manufacturers reported that “helium supplies were tight and challenging.” The SCRC will keep this as a running agenda item in the event product availability begins to impact the patient care setting. Summary information is listed below.
 - a. FEMA Medical Gases Playbook will be available
 - i. Shared with SCRC members. Attached for ease of reference.
 - b. CO2 force majeure notices and allocations going into effect, primarily in the Northeast
 - i. SCRC members indicated they did not receive force majeure notices and have not been placed on allocations for CO2.
 - c. Helium shortages
 - i. Impact to MRIs
 1. SCRC members indicated the helium shortage had not impacted MRI utilization.
 - ii. Medical labs/facilities are being prioritized
 1. SCRC members indicated the helium shortage had not impacted lab operations.
2. Lobel Lurie shared a Customer Letter from Nestle Health Science dated August 16th regarding short supplies of their **Compleat® Pediatric Organic Blends Chicken Garden Blend**. The product is expected to be out of stock for approximately 4 weeks due to increased demand and ingredient supply chain challenges. Nestle stated they have sufficient inventory on hand of the preferred substitute product, **Compleat® Pediatric Organic Blends Plant-Based Blend**, to cover this stock out.

▲ Supply Shortages and Disruptions

1. Contrast Media

- Several SCRC members indicated that availability and on-hand inventories of contrast media were improving. Moving forward, supply chain executives plan to incorporate selected conservation strategies employed during the height of the shortage into their operational practices. Stringent supply and utilization practices will be incorporated into disaster planning and preparedness strategies should a similar shortage happen again in the future.

2. Formula Update?

- There were no formula shortages reported, nor was anxiety or discomfort from hospitals or community members conveyed regarding the purchase and use of imported formulas.

3. SPD Product Shortages

- On-hand inventory levels and product availability challenges with single-use, reusable non-sterile blood pressure cuffs was expressed. 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.
- SCRC members discussed the opportunity to raise awareness with the FDA regarding the product shortage and sterilization protocols, including expanding the number of uses for the cuffs before returning to the manufacturer for reprocessing, or reprocessing the cuffs onsite.
- Further reduction in inventory and product availability places the health care organization at risk; "if the supplier can only fill at 60%, I have to then decide as a facility, do I reprocess and or reuse an approved single-use device to continue procedures, or do I cancel procedures where I can? The reality is with trauma and other things, you cannot cancel those."

▲ SCRC Watch List – Raising awareness to growing supply shortages

- **Sterile Prefilled Flush Syringes.** With Cardinal exiting the market, there is a small number of suppliers out there at this time, however most of the suppliers trying to enter the market space are OUS, the product is prefilled, not sterile prefilled, and the product is priced approximately 300% higher than existing product pricing. BD has increased their production and it's believed they are starting to bring product in from Europe to help.
- **BD procedure trays.** BD is exiting the market for procedure trays including lumbar puncture, myelogram, cervical and circumcision trays. BD is projecting remaining inventory to be exhausted by the end of October. Some distributors and manufacturers are indicating that they are unable to absorb the business. Consequently, one health system is exploring the purchase of the tray components and assembling them in-house.
- **Needles and Syringes.** Hypodermic, 25 gauge, 1 1/2 inches beveled syringe needles and Spinal needles were raised by the group as items of concern.

About the Supply Chain Resource Council (SCRC)

The Supply Chain Resource Council (SCRC) convenes over 80 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 August 29, 2022 SCRC meeting is below.

Title	Organization Type	Number of Beds	Purchasing Budget/Spend	Region
SVP, Supply Chain Lead	Association	N/A		
Senior Director	Association	N/A		
Chief Contracting Officer	GPO	N/A		3
COO	Home Health	N/A		4
Director, Supply Chain Services	Association	N/A		3
Director, Materials Management	Hospital	250	\$10 - \$25 million	8
Clinical Value Analysis Manager	Hospital	1100	\$5-\$10 million	3
President	Services	N/A		
Vice President	Services	N/A	\$500,000 - \$1 million	8
Facility Chief Supply Chain Officer	Hospital	91		6
Program Manager	Association	N/A		3
Vice President, Supply Chain Services	Hospital	2,542		5
Director Product Management Perioperative	Services	N/A		
Senior Director, Demand Planning	Hospital	39 hospitals		9
Vice President, Supply Chain Operations	Hospital	24,000 licensed beds	More than \$500 million	4
Director, Supply Chain Management	Hospital	220		6
Senior Director	Hospital	1,689		4
Vice president, Supply Chain	Hospital	442		5
President	Supplier	N/A		
Director, Category Management	Distributor	N/A	\$10 - \$25 million	3
Senior Vice President	Hospital	370	\$10 - \$25 million	8
Senior Director	Services	NA		
Director, Supply Chain Strategy	Services	N/A		9
Director Risk Management	Hospital	3,100		9
SVP, Supply Chain Management	Hospital	26,000	More than \$500 million	5
Vice President Supply Chain Operations	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	

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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