



AHA TRANSFORMATION TALKS

STRATEGIES FOR REIMAGINING HEALTH CARE

Beyond the Pandemic: Mitigating Supply Chain Risk and Disruption

COVID-19 has exposed the fragile nature of the health care supply chain, but it's not the first public health crisis to do so.

The emergence of the H1N1 flu in 2009 quickly led to shortages of N95 respirator masks and other equipment, product hoarding and manufacturers' inability to keep pace with global demand. The Ebola crisis in 2014, which resulted in only seven cases in the U.S., generated as much as 200 times the normal supply ordering pattern.

Amid the current crisis, provider organizations have struggled to find personal protective equipment (PPE), ventilators, lab testing products, pharmaceuticals and other supplies. The race was on to find reliable sourcing alternatives — a process that often proved frustrating or futile. The gray market flourished as nontraditional suppliers entered the health care supply chain. Some bad actors charged inflated prices and ultimately could not reliably fill orders quickly or ensure product integrity.

Now, many are looking beyond the pandemic to address long-standing vulnerabilities in the supply chain during crisis situations to ensure that adequate supplies exist at the local, regional and national levels.



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This has led to the following new market realities:

- It is critical to forge new relationships with onshore and near-shore suppliers or invest in dependable companies that can fill their needs during peak surges.
- There will be a greater need for bidirectional transparency and greater sharing of utilization data among health care providers, manufacturers and distributors.
- Just-in-time and Lean inventory-management strategies need to be reevaluated across the supply chain continuum to better document, monitor and predict product needs in daily operations as well as when product demand surges.
- It will be important to reexamine the criteria for sourcing, contracting and evaluating each product's ability to improve health outcomes as well as lower the total cost of care.
- Leaders will need to consider whether operational and surge inventories should remain separate and how much on-hand inventory of PPE and other products should be carried across the supply chain continuum.

Addressing these issues will take diligence, resources and collaboration. But with a continued focus on finding long-term solutions to supply chain challenges, hospitals and health systems will be positioned to meet the challenges of the next pandemic.

Learn more about these issues and access additional resources, visit the AHA Transformation Talks [resources page](#).

Discussion Questions:

1. **What resources have enabled supply chain professionals to address critical supply shortages?**
2. **This is not our first pandemic. What steps are needed to hardwire the lessons learned and the practices developed during COVID-19 that will prepare us for future pandemics? What is feasible in the next 1-3 years?**
3. **How can hospital supply chains mitigate future supply shortages while still supporting cost reduction?**
4. **How will the COVID-19 pandemic experience change how hospital supply chain professionals work with clinicians, with finance and with suppliers?**