

The Journal of
Healthcare

Providing Insight, Understanding and Community

C O N T A I N I N G

August 2020 • Vol.16 • No.4

**People
to Watch**
in Healthcare Contracting

Marisa Farabaugh
AdventHealth





The world changes fast. We'll help you keep up.

Aesculap | B. Braun | CAPS®

With COVID-19, the world changed overnight. You want a partner that can help you do the same—collaborating with you to meet your ever-evolving needs, adapting to changes in how to deliver the best possible care, and ultimately helping your health system get back to running at full speed.

Visit [bbraunusa.com/enterprise](https://www.bbraunusa.com/enterprise) to see how.

The Journal of Healthcare Contracting

is published bi-monthly

by **Share Moving Media**

1735 N. Brown Rd. Ste. 140

Lawrenceville, GA 30043-8153

Phone: 770/263-5262

FAX: 770/236-8023

e-mail: info@jhconline.com

www.jhconline.com

Editorial Staff

Editor

Graham Garrison

ggarrison@sharemovingmedia.com

Art Director

Brent Cashman

bcashman@sharemovingmedia.com

Publisher

John Pritchard

jpritchard@sharemovingmedia.com

Vice President of Sales

Katie Educate

keducate@sharemovingmedia.com

Circulation

Laura Gantert

lgantert@sharemovingmedia.com

The Journal of Healthcare Contracting (ISSN 1548-4165) is published monthly by Share Moving Media, 1735 N. Brown Rd. Ste. 140, Lawrenceville, GA 30043-8153. Copyright 2020 by Share Moving Media. All rights reserved. Subscriptions: \$48 per year. If you would like to subscribe or notify us of address changes, please contact us at the above numbers or address.

POSTMASTER: Send address changes to Share Moving Media, 1735 N. Brown Rd. Ste. 140, Lawrenceville, GA 30043-8153. Please note: The acceptance of advertising or products mentioned by contributing authors does not constitute endorsement by the publisher. Publisher cannot accept responsibility for the correctness of an opinion expressed by contributing authors.



- 2** Publisher's Letter: What a year!
- 4** Leadership decision-making and process improvement
A multi-faceted solution that includes an evidence-based process and a transparent method to execute that process is critical for making good decisions.
- 36** Domestic demand
GPO, health systems acquire stake in domestic manufacturer of face masks
- 44** Diversifying the supply strategy
When member needs outweighed current contracted supplies, Vizient approached one manufacturer about a unique way to quickly scale to meet demand.
- 46** Health news and notes
- 48** HIDA unveils public-private framework for U.S. pandemic preparedness and response
- 55** Healthcare Group Purchasing Organizations:
Strengthening supply chain resiliency and supporting an effective response to COVID-19
- 56** Calendar
- 57** Contracting News & Notes
Recent headlines and trends to keep an eye on
- 59** Combating COVID with data
The Collective and Augmented Intelligence Against COVID-19 (CAIAC) alliance
- 60** The opportunity before us

What a year!



2020 sure hasn't turned out like I had hoped. I'm sure you feel the same. So many people talk about the new normal. At times I can't even imagine a new normal; other times things seem clear. It's fair to say things have changed when it comes to provider-supplier relationships.

In the past it was straightforward to evaluate a supplier and commence a relationship with the supplier. In fact, I bet there weren't many times a hospital or IDN started doing business with a supplier they didn't know. At least until March, when everything changed.

In the last few months, I've spoke to dozens of supply chain leaders and many (especially those in COVID hot spots) commented that vetting new PPE suppliers has become a full-time job. They also couldn't believe the sheer volume of scams attempted by companies or individuals masquerading as vendors. It has become clear that reliability has factored into the value equation for determining if a supplier will be engaged. Prior to COVID, reliability was assumed by the buyers.

I spoke to one distribution executive in early May who said his organization was working 18-hour days, yet revenues were down 40%. The bulk of his time was spent communicating and explaining to hospitals and IDNs why they were being allocated product based on previous usage.

Another supply chain leader I spoke to wondered out loud if some of the PPE shortages were caused by the lack of resources, or other issues within the supply chain. His system is based in a large Midwest city and he was able to buy a truckload of masks and gowns from Brooklyn, New York in mid-April, when COVID hit New York City so hard there were refrigerated trucks being used as makeshift morgues, and many New York hospitals reportedly didn't have enough masks and gowns. This just didn't make sense. It does make you wonder if the New York hospitals couldn't afford them, or if they didn't yet know how to buy through non-traditional channels.

It's also been fascinating to see how distribution has handled the crisis. It's often said the first rule of crisis management is communicate, communicate, communicate. I spoke to one distribution executive in early May who said his organization was working 18-hour days, yet revenues were down 40%. The bulk of his time was spent communicating and explaining to hospitals and IDNs why they were being allocated product based on previous usage.

I've always seen the value distribution gives to the supply chain. I believe many IDNs and hospitals see it more clearly now too.

Looking to the future, what changes will occur to buyer/seller relationships in the U.S. health-care supply chain? I sure hope we will work closer together and not the opposite as a result of these stressed times.

Thanks for reading this issue of *The Journal of Healthcare Contracting*.



Hillrom™

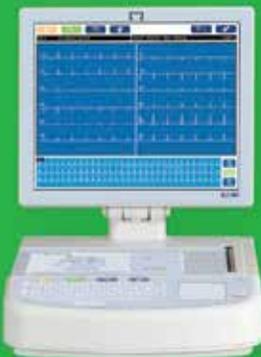
A FUTURE FREE OF COMPROMISE

You don't have to sacrifice financial outcomes for secure, quality patient monitoring and cardiology solutions.

At Hillrom, we understand that every purchase must be a smart investment. While your focus is on making the best financial choices, we make purchase decisions easy. You deserve access to trusted solutions that help clinicians diagnose quickly and confidently, all while protecting patient data.



**Welch Allyn®
Connex® Spot
Monitor**



**Welch Allyn
ELI® 380
Resting ECG**

**Learn more at
hillrom.com/welchallyn.**

Leadership decision-making and process improvement

A multi-faceted solution that includes an evidence-based process and a transparent method to execute that process is critical for making good decisions.



BY DEE DONATELLI

Healthcare reform, and now a pandemic, has mandated

an evolution in care delivery. Quality and value have taken on a more well-defined meaning. No longer is a focus on costs enough. Leaders must be concerned with delivering high-value care. This task requires improving processes and reducing costs without sacrificing outcomes.

Making decisions to achieve value is rarely simply. Complexity is the norm, and cognitive burden is high. Participants in the process sometimes have varying perceptions of the goal that is trying to be achieved, as well as a conflicting understanding of the trade-offs that

exist between alternatives. Here lies the burden of balancing quality, overall cost, and outcomes.

In order to be consistently successful in making good decisions, a multi-faceted solution that includes a robust, evidence-based process and a transparent, efficient

method to execute that process is mandatory. It requires developing a process that coordinates time, resources, and decision-making criteria; and then operationalizing the process in an integrated, transparent, and efficient manner.

At the time of this writing, much of our workforce is operating remotely. Unfortunately, due to the lack of a standardized decision-making criteria and workflow process, it has become increasingly difficult, if not nearly impossible, to make good decisions that include key stakeholders. Whether your decision is for physician preference items, a capital purchase, a new

clinical initiative, or an evaluation of purchased services, your assessment should be data-driven, and allow your stakeholders to have the information they need to arrive at smarter insights, faster.

What to consider

The pandemic has allowed a forgiveness of sorts and clinicians have tolerated a “pause” in elective decision making. Moving forward a consistent, multi-faceted solution that will work under any circumstance must become a standard way of doing business. Let us consider some key elements leaders should consider in advancing standardized and enhanced decision making.

- › Leaders must create and enable a virtual decision-making workflow process to include key stakeholder’s vs a traditional committee member structure.
- › Leaders must continue to move decision making from subjective to objective. Nice to have vs need to have should become the new criteria.
- › Leaders must create a process workflow that is transparent and inclusive. Task-focused steps in process workflow will keep initiatives on target and on schedule.
- › Leaders must provide accurate, applicable, actionable, and available data. Decisions must be based upon facts not feelings.

- › Leaders must integrate evidence and data seamlessly into the decision-making process.
- › Leaders must create a process which supports complex decisions by providing critically appraised and fiercely unbiased evidence. This information must be “consumable” meaning in an executive summary and easily understood. Full reports should be available upon request but not bog down process decision making.

value to our patients, beyond the short term?” This will require addressing questions related not only to price, but utilization, standardization, and variance across consumables, capital, purchased services, processes of care, and clinical and strategic initiatives, including what is important to the patient.

Leaders have a responsibility to improve the process of decision making in their organizations. Considering some of the listed key elements is the basis

Making decisions to achieve value is rarely simply. Complexity is the norm, and cognitive burden is high. Participants in the process sometimes have varying perceptions of the goal that is trying to be achieved, as well as a conflicting understanding of the trade-offs that exist between alternatives.

Finally, there are multiple industry challenges in healthcare, one of which is how to attain value in the care delivered. This entails looking beyond cost, and asking “how does the item, process, or technology that we are evaluating add

upon which to improve operations. Moving from traditional operations to a virtual platform with enhanced expectations of participants and a standardized application process is critical in today’s ever-changing work environment. ■

Dee Donatelli, R.N., CMRP, CVAHP, has more than 40 years of experience in the healthcare industry as a registered nurse, supply chain executive and consultant. Donatelli has held leadership positions in hospitals, consulting firms, distributors and GPOs. Donatelli is a past president of the Association of Healthcare Value Analysis Professionals (AHVAP) and is the current Chair of the Association for Healthcare Resource and Materials Management (AHRMM). An Bellwether Class of 2015 inductee, she also serves on Bellwether League’s Board of Directors. Donatelli currently serves as VP of Professional Services at TractManager and as Principal, Dee Donatelli Consulting, LLC. She can be reached at Dee@DeeDonatelli.com.

This flu season ...

Give your clinicians the freedom to focus on care



From October 2019 through April 2020, 39 million people had the flu, resulting in 740,000 flu hospitalizations, estimates the Centers for Disease Control and Prevention¹. The upcoming 2020-2021 flu season could be just as severe and particularly challenging, given the possibility of COVID-19 and other respiratory illnesses.

The clinicians in your health system's non-acute facilities play an important role in vaccinating, testing and treating patients for flu, from pediatrics to geriatrics. To do so, they need access to a full portfolio of medications, flu and respiratory diagnostics, antivirals and ancillary medical products. It's even more important to plan for a challenging flu and respiratory season. Vaccinating against flu will be critical in mitigating potential patient surges at health systems this fall and winter. Designing a full flu

strategy will be more important than ever before.

Health system's supply chain plays an important role in providing clinicians with the freedom to focus on care and not on supply chain activities. Here are four ways supply chain can provide them with a holistic flu program, encompassing prevention, diagnostics and treatment:

1. Demand planning for pre-season and in-season vaccinations and treatment.

2. Standardization of the flu-related portfolio in order to leverage better product costs and reimbursement.
3. A point-of-care flu and respiratory testing program at all non-acute treatment sites.
4. An automated supply chain, which can relieve clinicians (and supply chain) from the traditional burdens of procurement.

Step 1: Anticipate demand

Having a flu preparedness plan in place is good business and essential for a seamless transition into flu season. It begins by anticipating the demand for

vaccines, flu tests, antivirals and necessary med/surg supplies to vaccinate.

By examining last season's purchases and consumption data, supply chain can spot trends to help anticipate demand. Your supplier can assist in gathering that information and adjusting it, if necessary, to accommodate anticipated market – and epidemiological – developments.

Health systems should consider its patient mix to determine which vaccines to order. Having access to a full vaccine portfolio with vaccines for patients of every age, including FluMist® Quadrivalent, a nasal spray flu vaccine for eligible children and adults ages 2-49. Note: the industry has moved from trivalent vaccines, (containing three strains – two 'A' and one 'B') to quadrivalent vaccines (containing four strains – two 'A' and two 'B').

Supply chain should also consider working with its lab supply chain counterparts to ensure there will be enough flu test kits, including rapid molecular testing. Rapid molecular assays can detect the influenza virus in approximately 15 – 30 minutes² and supports latest infectious disease society flu (IDSA) guidelines (www.idsociety.org/practice-guideline/influenza/). Due to expected allocations and supply restraints on COVID-19 tests for molecular tests, many health systems should understand the testing options for flu and COVID-19, then work with a distribution partner to help each care setting get set up to address respiratory illnesses with a full suite of testing for flu, strep, RSV and COVID-19.

Step 2: Standardize

Supply chain executives know that standardization leads to more efficient

processes and lower costs. The same principle holds true for flu programs.

By selecting one distributor, the health system gains access to the depth and breadth of flu products, including vaccines, ancillary medical supplies, diagnostic testing, and products for treating flu. (The last category includes Tamiflu®, which is used to treat flu in people two weeks of age and older who have had flu symptoms for no more than two days.)

The health system benefits from the distributor's volume contracts with manufacturers, and web-based reporting helps supply chain understand who is ordering vaccines, what type of vaccines and ancillary products they are ordering, and from whom they are ordering them. This may be your best shot at identifying "rogue purchasing," which can adversely affect the health system's ability to standardize for best costs.

By selecting one distributor, the health system gains access to the depth and breadth of flu products, including vaccines, ancillary medical supplies, diagnostic testing, and products for treating flu.

Step 3: A systemwide program

Chances are, your health system is facing increased competition for flu vaccinations from supermarkets and retail clinics. That's why many are building point-of-care flu and respiratory testing programs for all their non-acute treatment sites.

Competitive reasons aside, such programs benefit patients. By providing

systemwide, holistic care for flu and respiratory illness, the health system can capture and record vaccination and treatment activities in the electronic healthcare record. That's helpful if the patient is hospitalized or seen by someone other than their family physician. And it's something that the local drugstore can't provide. What's more, if vaccines or tests are recalled, the health system can track down potentially impacted patients using patient records.

Point-of-care flu and RSV tests can be administered in the doctor's office and delivered to the patient in minutes. This same-day process speeds up treatment plans and can help support patient satisfaction. After all, when you're sick, the last thing you want to do is go to multiple offices for testing. Health systems should consider standardization and adoption of multiple methods for testing.

Step 4: Automate your supply chain

Automation of back-end processes leads to better business efficiencies. Managing pre-season and in-season flu ordering can be an automated process. Rather than shuffling through myriads of reports from multiple distributors and manufacturers, supply chain has quick and easy access to systemwide data and

analytics to help with demand planning. Using cutting-edge technology can help capture and analyze data across the health system. In non-acute care settings, which are often located across a region, having connectivity like EDI and on-line ordering can help enable business efficiencies.

FluWise®

McKesson has offered the FluWise® program to customers for several years, but recently adapted it for today's health systems. The program offers expanded warehouse hours, so all sites receive their vaccine and other flu-related products quickly. Ninety-five percent of orders come with same- or next-day delivery. FluWise® also offers guidance on opportunities to standardize products, complimentary training on topics such as vaccine storage and influenza coding, and expertise to help the health system manage patients' needs throughout the flu season.

By participating in the FluWise® program, supply chain gains access to a committed customer service team, who will answer product-related questions, expedite orders, and provide alternatives in case of backorders. They can help supply chain pre-book flu vaccines to make sure the health system gets high-quality products in the quantities needed, and avoid manufacturer waitlists.

Given the potential complexities COVID-19 may bring to the upcoming flu season, consider helping your clinicians serve their patients with McKesson FluWise®. For more information, visit <https://mms.mckesson.com/content/clinical-resources/flu-management>. ■

Preparing for the 2020-2021 flu season



Supply chain executives can expect a higher demand for influenza vaccine from their clinicians than they have in prior flu seasons, says Omar Bateh, director of vaccines, McKesson Medical-Surgical.

McKesson is expecting anywhere from 189 million to 197 million doses to be distributed this upcoming season, compared to approximately 168 million doses in the 2019-2020 season, he says. "Across various class-of-trades, we are seeing a 10 to 20% increase in demand, and options are running out."

The McKesson Medical-Surgical vaccine team is working closely with every manufacturer on pre-booking demand to help increase supply in the marketplace for the upcoming season, he adds.

In addition to a greater demand for flu vaccine, healthcare providers can expect a few other changes related to the COVID-19 lockdown this season.

"Providers should be thinking about alternative avenues to administer flu vaccines, potentially vaccinating in the parking lot, setting up drive-through clinics, or potentially partnering with a home health agency to vaccinate patients in their homes," says Bateh.

In addition, as clinicians administer flu shots in the fall, they should make sure to catch their patients up on any shots they might have missed during the lockdown. "Even if the patient is up-to-date, they should be offered a pneumonia shot such as Pneumovax® 23 or Prevnar 13®, and a shingles vaccine like Shingrix." Pneumonia can be a side effect of COVID-19," he points out.

Depending on the severity of the upcoming season, supply chain might encounter a heightened demand for antiviral medications, such as the branded drug Tamiflu®, the generic oseltamivir phosphate, as well as Xofluxa™, first marketed in October 2018.

¹ <https://www.cdc.gov/flu/about/burden/preliminary-in-season-estimates.htm>

² <https://www.cdc.gov/flu/professionals/diagnosis/molecular-assays.htm>



MCKESSON

*Delivering for you,
so you can deliver a difference.*

Every day you're making a difference in patients' lives. We want to help make that easier. From our teams packing boxes to the ones bringing them to your door, we're all-in to support the work you do. While you deliver care to those in need, we'll deliver for you.



mms.mckesson.com/coronavirus



Brad Alexander
Providence/St. Joseph



Marisa Farabaugh
AdventHealth



Mike Halmrast
Banner Health

People to Watch

in Healthcare Contracting



Chuck Jensen
Froedtert Health

Editor's note: Thanks to all those who made the effort to nominate this year's "People to Watch." And thanks to our supply chain leaders, who share their insights and experience with *The Journal of Healthcare Contracting* readers this month.



Andy Klearman
MediGroup



Chaun Powell
Premier Inc.



Susan Schrupp
Community Health Systems



Margaret Steele
Vizient



Robert Wiehe
UC Health

Let's make a
positive impact
together.



DUKAL can be a strong long term partner of personal protection equipment for your facility.

We are continuously investing in our capabilities and capacity to bring high quality personal protection equipment to front-line workers. Our PPE products meet or exceed all FDA requirements, holding multiple 510k's for surgical masks and N-95 respirators. DUKAL also offers AAMI level rated isolation gowns.

Let's make a positive impact together. Contact us at sales@dukal.com to learn more about how we can be a long term provider of personal protection equipment for you.

2 Fleetwood Court, Ronkonkoma, NY 11779 • 1-800-243-0741 • www.dukal.com



Mike Halmrast

Senior director of contracting at Banner Health



The Journal of Healthcare Contracting (JHC): What is the most challenging/rewarding project you have worked on in the last 12-18 months?

Halmrast: A couple years ago Banner formed a regional group purchasing organization called Supply Chain Value Network. This has been a great opportunity for us to build essentially a new business for Banner and bring significant new revenue into the organization.

JHC: What project or initiative are you looking forward to working on?

Halmrast: Banner implemented new tools in the contract management area in late 2019. I am looking forward to getting back into reviewing the data we now have available in those tools to uncover more savings and standardization opportunities for Banner.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Halmrast: The data that we have access to today compared to 5-10 years ago is drastically different. This data allows us to make more informed decisions, be more proactive and more responsive to the needs of the customers within our facilities.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Halmrast: If you think you are prepared for a pandemic you likely aren't until you actually experience the situation. Often times the work that we have done to prepare for a pandemic tends to be outdated once the time comes to utilize the info. So we need to constantly update our information and spend more time preparing for future pandemics.

About

Halmrast is a graduate of North Dakota State University with a degree in accounting. He began his journey with Lutheran Health Systems based in Fargo North Dakota as an intern in supply chain in 1996. Shortly after he was able to land a full time position within contract administration. Through the merger of Lutheran Health Systems and Samaritan Health System to form Banner Health he relocated to Phoenix, Arizona. Halmrast transitioned into the procurement area of supply chain where he was

the director of purchasing for approximately 10 years and in that time led the centralization of purchasing for Banner. For the last seven years he has been leading the contracting efforts for Banner in his role as senior director of contracting. In those seven years his team has generated greater than \$200 million in cost savings for Banner, expanded global sourcing of products, and formed a regional group purchasing organization called Supply Chain Value Network.

Marisa Farabaugh

BS, MBA, senior vice president and chief supply chain officer, AdventHealth



The Journal of Healthcare Contracting (JHC): What's the most challenging or rewarding project that you've worked on the last 12 to 18 months?

Marisa Farabaugh: COVID-19. How can you not call that both challenging and rewarding? From a challenge perspective, we've had to re-engineer all our processes around sourcing and even logistics – overnight.

When your traditional resource streams are rocked, the need for supplies and keeping our clinical teams safe doesn't change. The responsibility for ensuring our patient care and clinical care shifts in a more acute way for us as sourcing leaders to find new streams of

resources, or whatever it would be that we're trying to source.

Going into that was a great unknown. We were used to working with vendors, partners and suppliers who we've had relationships with, and we've seen their faces and talked to them multiple times and worked through many opportunities and incremental changes over the years. Suddenly, we're asked and required to reach out to unknown brokers, distributors and people who are friends of people and may know somebody through the hospital and put together purchase orders on new companies. We put new companies in our systems to be able to create a purchase order, then generate a purchase order with very limited information about that organization. We had a vetting process we were using to make sure these organizations were legitimate and real.

I've talked about challenges, but there was so much in terms of reward too. We're in an industry where we believe in helping other people and being a part of something that's bigger than just profit or margin. We picked healthcare because it connects us. We feel connected to the work that we do, because there are people on the other end of the work that we do. We're helping people do their jobs to help people.

JHC: What project or initiative do you look forward to working on?

Farabaugh: This season is going to be a part of our world. There's going to be

About

Marisa Farabaugh is senior vice president and chief supply chain officer for AdventHealth. In this role, she is responsible for all aspects of supply chain within the system, including contracting, field operations, data and analytics, value analysis, affiliates program, corporate pharmacy and RxPlus, and corporate construction management.

Farabaugh joined AdventHealth in July 2019. Prior to this transition, Farabaugh held several roles within healthcare supply chain, most recently as the chief supply chain officer for Wake Forest Baptist Medical Center in Winston-Salem, North Carolina. During her time at Wake Forest, she also served as head of the M&A and led the organization through major corporate initiatives including an overhead study. Prior to joining the healthcare industry, Farabaugh worked as an industrial engineer at The Hershey Company in Hershey, Pennsylvania.

Farabaugh received her bachelor's degree in industrial and systems engineering from the University of Florida and her MBA from Pennsylvania State University.

many organizations that put a spotlight on COVID-19 for a temporary time and then naturally migrate back towards the traditional contracting, logistics way of supply chain that was pre-COVID-19.

But I also think there's going to be some organizations that say no, this has happened, and it has raised supply chain and the need to know where our resources are coming from, how we can de-risk the model, what we're willing to do and not do as an organization to give capital or invest in this change, because we recognize that it's a weak link or if it's broken, we can't do what we need to do. So, we've got to invest in it and make it stronger.

The people are the most important thing. Creating environments and teams that thrive is such a big focus of mine now. Maybe 10 years ago I was more focused on project execution. Today I'm much more focused on how the team is performing. Where are they at? Who's in what role? How are we going to move forward post-COVID-19?

When you ask about what are the projects in the future that I look forward to in the wake of this, it's the ability to strategically think about healthcare supply chain in a new way. And I think I know parts of what that means today, but I promise you I don't know all the parts yet, but I will as the months and weeks unfold and get more time to digest and think about it.

But in this moment, we're going to think about de-risking supply chain.

Does everything come through single channels? How do we think about sole sourcing? How do we think about and know where products are being manufactured? How do we create a risk profile like an investment portfolio?

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Farabaugh: There's a silver lining to everything that has happened. It has catapulted healthcare supply chain to the forefront of discussion. Let's seize this opportunity to make

JHC: How do you think you're better at practicing your profession than you were 5-10 years ago?

Farabaugh: The people are the most important thing. Creating environments and teams that thrive is such a big focus of mine now. Maybe 10 years ago I was more focused on project execution. Today I'm much more focused on how the team is performing. Where are they at? Who's in what role? How are we going to move forward post-COVID-19? How does our organizational structure change? Do we need additional support in areas that weren't there before?

My biggest focus has been around relationships with our team and then building a network of relationships both internally within AdventHealth, and externally.

meaningful changes to our industry that have a sustained impact on a stronger supply chain.

Is Just-In-Time the right model? It works in many other industries. But if you're in food and beverage and you run out of supply, there is not a life at the other end. Whereas in healthcare, you're taking care of patients. So, is Just-In-Time the right model?



SIMPLER.

Owens & Minor offers unique service solutions like QSight, SurgiTrack, PANDAC, and more that combine people, processes, and technologies to help make life simpler for healthcare providers.

So they can focus on patient care.

Together, we're making a difference.

SERVICES



Empowering Our Customers
To Advance Healthcare.

Visit us at owens-minor.com to learn more.

Chaun Powell

MBA, group vice president, strategic supplier engagement, Premier Inc.



***The Journal of Healthcare Contracting (JHC):* What is the most challenging/rewarding project you have worked on in the last 12-18 months?**

Chaun Powell: Leading Premier's disaster response and preparedness efforts for 4,000 hospitals and 175,000 other providers during the COVID-19 pandemic has been both challenging and rewarding. During the outbreak, despite an extremely strained supply chain and the lack of manufacturing availability, my team and I have worked tirelessly to secure critical

supplies for long-term care and senior living facilities who were shut out of traditional ordering due to protective allocation. I'm particularly proud of this because the senior nursing and assisted living facilities have been some of the hardest-hit care sites, but traditional ordering methods may not have secured them the supplies they desperately needed to care for a very vulnerable group in the community. I also helped craft the playbook that laid the foundation for The Private Sector COVID-19 Supply Chain Coalition.

I am hyper-focused on modernizing and increasing the sophistication of the healthcare supply chain. This effort includes increasing visibility, identifying areas of vulnerability, and introducing safeguards and creating a balance between onshore and offshore manufacturing.

About

As group vice president of strategic supplier engagement at Premier, Powell is responsible for \$960 million in revenue and \$60 billion in healthcare spend across 4,000 hospitals and health systems and 175,000 alternate sites (e.g., physician offices, imaging centers, etc.) across the United States. He also leads the disaster preparedness and response program and the product disruption team, and drives strategic growth plans and tactical implementation across Premier's supply chain unit. Since joining Premier in 2017, Powell and his team have driven more than \$50 million in growth over the last year.

Powell led disaster preparation and response for Hurricanes Harvey, Irma, Michael, and Florence, as well as managed Premier's disaster response through the Las Vegas shooting, Puerto Rico earthquakes and the Cardinal Health surgical gown recall. He is also currently leading similar disaster preparedness, activation and response efforts for Premier through the COVID-19 pandemic.

Prior to joining Premier, Powell was the national director of sales and business development for Orthopedics at Cardinal Health where he led a team of nearly 300. Under his leadership, the division saw a 242% increase in profitability.

JHC: What project or initiative are you looking forward to working on?

Powell: At Premier, I am fortunate to be able to work with various stakeholders within the healthcare industry to continue to improve the supply chain. This includes working with federal agencies to improve upstream visibility in several categories including raw material origin, contract manufacturers and sterilization facilities, among other areas. I also have the privilege of working with the private sector to create industry standards for product disruption notifications.

As I mentioned, my experience leading the COVID-19 response has been challenging but has also given me a clear pathway to my next project. I am hyper-focused on modernizing and increasing the sophistication of the healthcare supply chain. This effort includes increasing visibility, identifying areas of vulnerability, and introducing safeguards and creating a balance between onshore and offshore manufacturing. These efforts aim to improve supply chain sustainability while maintaining low costs, which is of particular importance now.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Powell: Since becoming a leader in Premier's supply chain strategy, I've come to value differing perspectives and the unique points of view people bring to problem-solving more than ever. As a professional, it is so important to have the ability to harness skills from different facets of your career and make them applicable to your current responsibilities. I've been working in the

healthcare industry for nearly 20 years and have a profound understanding of the supply chain from both the provider and supplier perspectives. All of my experiences have shaped the way I define success, not only in my personal life, but also in my current role.

resulting in major financial losses. I am eager and ready to work alongside key industry leaders to develop new best practices and introduce necessary improvements and changes to ensure the long-term success of the healthcare supply chain.

As a professional, it is so important to have the ability to harness skills from different facets of your career and make them applicable to your current responsibilities. I've been working in the healthcare industry for nearly 20 years and have a profound understanding of the supply chain from both the provider and supplier perspectives.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Powell: COVID-19 presented the healthcare industry with an unprecedented set of problems and exposed major issues within the supply chain. My biggest takeaway is ensuring that we have a sophisticated supply chain capable of enduring smaller disruptions or large-scale pandemics like this in the future.

For years, the industry has used expense reduction practices, creating an extremely lean supply chain system. However, this lean system resulted in an inability to produce a sustainable supply of PPE, which was desperately needed during the COVID-19 pandemic,

Chuck Jensen

Director of sourcing & contracting, Froedtert Health



About

Chuck Jensen has served as director of sourcing & contracting at Froedtert Health in Wisconsin for the last five years. Within this role, he leads the purchasing team as well as the sourcing/contracting team. Jensen developed and led a major departmental restructuring 18 months ago that dramatically improved the capabilities and results of the department. Previously, Jensen served as director of supply chain at Comanche County Memorial in Lawton, Oklahoma, and director of materials management at McLaren Northern Michigan in Petoskey, Michigan.

***The Journal of Healthcare Contracting (JHC):* What is the most challenging/rewarding project you have worked on in the last 12-18 months?**

Jensen: For me, personally and professionally, the one thing that has provided me the most satisfaction has been my growth journey (my Hero Quest). A series of events, including new leadership, a major departmental restructuring as well as personal challenges, led me to seek a career coach, which I began working with in the fall of 2018. That fall, the framework for a year-long engagement was developed. Some early activities in 2019 included baseline data gathering from an employee engagement survey and targeted data from a 360-degree leadership review. The data received provided themes for targeted improvement. The themes were personal connection, communication and respect.

The journey led me to a greater sense of self reflection, love and caring for others and recognition of others (putting others ahead of myself). The results have been nothing less than amazing. My connections with others have increased tremendously. The team – both my leadership and the entire team – has become more engaged. In fact, the score from the 2020 employee engagement represents some of the highest scores within the organization. The benefits go far beyond the department. My interactions with physicians and others I interact with have also strengthened. This was an extremely challenging journey as it requires

personal reflection and the willingness to hear feedback that generates emotional responses. This remains the most challenging, but rewarding, experience in my recent history.

***JHC:* What project or initiative are you looking forward to working on?**

Jensen: I have been a part of developing a Strategic Partner Council (SPC) at Froedtert Health. The SPC is made up of senior leaders from Froedtert Health's top suppliers as well as key leaders from the supply chain, finance and surgical services teams. The SPC's goal is to work towards best practice solutions for the mutual benefit of all organizations. I am looking forward to this because the group, although formed and meeting regularly, is between the storming and norming phase in group development. (Editor's Note: The forming-storming-norming-performing model of group development was developed by Bruce Tuckman, who said these phases are all necessary and inevitable in order for the team to grow, face up to challenges, tackle problems, find solutions, plan work and deliver results.)

I am excited to work on team projects. One currently starting is the development of a supplier scorecard. This will be made of metrics developed and agreed by all suppliers with goals and standards also set by the entire council. This will set the standard for how all suppliers will be measured collectively and change how we do business with all suppliers, not just the SPC members.

YOU HAVE THE POWER

to PROTECT YOUR PATIENTS and EQUIPMENT

Standardize your disinfection protocols with a powerful Hydrogen Peroxide formula that kills *C. diff*¹ without compromising compatibility.²

One product for all your needs.

Disinfection Simplified. Together..We Got This!



Sani-HyPerCide™

NEW WIPES COMING SOON!

+ PDI®
BE THE DIFFERENCE™

1. *Clostridioides difficile* spores formerly known as *Clostridium difficile* spores.
2. Refer to device manufacturer's instructions for use.
©2020 PDI W: pdihc.com UPDATE 0520 PDI05190665

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Jensen: I have learned patience, the ability to utilize relationships and the value of personal connections.

Regarding patience, I am naturally driven and hardworking. I want to get all my goals (savings, processes and strategies) completed in the first month of the year. But I have learned to purposely plan for the achievement of goals or a project. This has allowed me to teach my leaders and staff the skills I have and delegate projects to them. This, in turn, speeds up the results and provides learning and accomplishment of others, and then recognition for them.

pathway was the one I would hold firm to as the sole choice. My current approach has been rewarded with relationships and positive outcomes from my team and those I work with throughout the health system.

Historically, personal connections have not been my strong suit. While I have always been good at relationships with a few close confidants, I have learned to be caring and thoughtful towards all those I work with and interact. I am not always successful, but I realize it when I'm not and look to find ways to strengthen and improve the relationship. Almost always, that involves a face-to-face meeting or phone conversation.

physician partners proved extremely valuable. For example, at Froedtert Health, a handful of local businesses worked with us to develop and quickly change their production lines to produce hand sanitizer, face shields and masks.

Secondly, we have opened non-traditional channels for sourcing products. Froedtert Health utilized direct purchasing or a broker to secure where our distributor, regional GPO or normal supply partner was not able to meet our PPE or other supply needs. This may translate into longer term relations with those sources that proved reliable and serve as a secondary source moving forward.

Finally, communicating key data internally is so valuable. Froedtert Health Supply Chain developed a supply dashboard and distributed it to the organization daily. This dashboard provided a color-coded system to communicate the levels of PPE available. This provided transparency in an environment of fear and information overload from internal rumor and external media on the pandemic. Froedtert Health was fortunate to not have run out of any PPE during this critical time and, in large part, the data and subsequent conservation methods were to credit.

I have been a part of developing a Strategic Partner Council (SPC) at Froedtert Health. The SPC is made up of senior leaders from Froedtert Health's top suppliers as well as key leaders from the supply chain, finance and surgical services teams. The SPC's goal is to work towards best practice solutions for the mutual benefit of all organizations.

Relationship utilization is a practice that I have developed over time. For me, it involves listening to others perspective and coming up with a decision or pathway that meets the needs of everyone involved. Five to 10 years ago, I may have approached situations with more stubbornness and my solution or

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Jensen: There are a few lessons that I personally have learned and suspect most supply chain leaders also have learned during the COVID-19 pandemic. First, the connections to local businesses and

Andy Klearman

CEO of MediGroup Physician Services



The Journal of Healthcare Contracting (JHC): What is the most challenging/rewarding project you have worked on in the last 12-18 months?

Klearman: The most challenging project I have worked on over the past 18 months has been writing and implementing a new long-term channel partner agreement with Provista/Vizient since they purchased our old channel partner MedAssets. MediGroup and Provista completed our agreement and it has been very much worth the effort.

The most rewarding project I have been a part of during this time frame is the development and implementation of our charitable foundation MediGroup Cares. This is where the company MediGroup and our employees come together and support many charities and charitable events, including participation in firefighter fundraisers, sending our folks to Puerto Rico

to help with the hurricane relief, and providing multiple donations to the charity Provision Packs that sends kids that otherwise would not have food for the weekend home with backpacks filled with food for the entire family.

But I am most proud how MediGroup is sponsoring free surgery for qualified veterans that could not afford the surgery for themselves and the VA is not stepping up for one reason or another. We performed our first surgery this past year which was a great success and we are working very hard on expanding this program.

JHC: What project or initiative are you looking forward to working on?

Klearman: MediGroup is working on enhancing our aggregated and exclusive contract portfolio. This provides our members with significant price advantages and helps them lower the cost of

About

Andy Klearman is the CEO of MediGroup Physician Services, one of the nation's largest GPOs focused on servicing the non-acute/alternate site healthcare market. MediGroup also services the business and hospitality markets. MediGroup is channel partners with Vizient under the arm of Provista. MediGroup is Provista's largest channel partner servicing these markets. Klearman's role as CEO largely comprises overseeing the four pillars of the company – operations, sales and marketing, contract optimization and contracting.

Prior to starting up MediGroup in 1999, Klearman worked 10 years as director of governments sales for Midwest Medical Supply which is now part of the Concordance Medical merger. As director of government sales, his division was awarded several prime vendor territories with the Department of Defense. Klearman also managed the company's Guam warehouse which serviced overseas bases as well as the local hospital and healthcare market.

delivering healthcare. MediGroup is also advancing our communications capabilities which has been very important in our being able to inform our members on what we learn about COVID-19.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Klearman: Communication between MediGroup and our members as well as our vendor partners has improved

significantly. This allows us to bring so many additional benefits to our members and contracted vendors. This is a big focus for MediGroup for the year 2020 and we have many more advancements to deploy.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Klearman: Perhaps there needs to be more domestic manufacturing for PPE

and pharmaceuticals that are crucial to treating this type of pandemic. We also experienced that when a lot of non-acute healthcare practices starting shutting down a lot of the PPE and drugs supplies were converted to the hospital and LTC/nursing home markets. Now that the non-acute facilities are starting to re-open they are having to scramble to get the supplies necessary to run their practices. I think they will be more prepared for that if there is another pandemic.



Margaret Steele

Vice president of sourcing operations, Vizient

The Journal of Healthcare Contracting (JHC): What is the most challenging/rewarding project you have worked on in the last 12-18 months?

Margaret Steele: No question, it's been working collaboratively with the 70-plus person team at Vizient that has been focused on supporting Vizient

member hospitals as they confront COVID-19. The last 12 weeks have been nonstop, and this group has been incredibly creative and bold in finding and presenting new solutions for our members that include valuable Vizient contract protections. This includes vetting countless suppliers promising

About

Margaret Steele joined Vizient in 2010, as a sourcing executive of purchased services after leaving a successful career at Beckett Media where she was named one of the youngest vice presidents, leading publishing and new media before serving as chief operating officer. At Vizient, Steele helped create and launch Vizient's purchased services advisory offering by working with aggregation groups, regional offices as well as individual member hospitals to help create savings strategies in the products-and-services category.

As vice president of sourcing operations, Margaret directs Vizient's strategy and implementation of national

contract agreements for the medical, surgical and distribution sourcing team. She also has oversight of four Vizient member hospital councils, including clinical and supply, perioperative, respiratory and wound management. These councils offer guidance on areas of focus for contracting and supplier selection. Additionally, she serves as the executive sponsor for Vizient's large IDN supply network (LISN), which focuses on sharing best practices and education for supply chain professionals and collaboration with suppliers to achieve overall performance improvement.



GROUP ONE® is code for success

PROFESSIONAL HEALTHCARE APPAREL

PARTNERING WITH ENCOMPASS GROUP BRINGS YOU OUR EXPERTISE AND BELIEF THAT **BETTER CARE STARTS WITH SAFETY AND COMFORT.**



BRANDING: Create and Maintain Professional Image
SECURITY: Easily Identify Your Staff vs. Unwanted Visitors
PATIENT EXPERIENCE: Help to Improve HCAHPS Scores
EMPLOYEE SATISFACTION: Quality, Style, and Comfort
EASE OF ORDERING: Online Solutions

Find out how you can get started with your uniform program today!

Find your Encompass representative - Email GroupOne@EncompassGroup.net or visit us online at www.encompassgroup.com

available PPE products as well as expanding current supplier offerings, sourcing through alternative suppliers and/or providing support for expanding manufacturing lines. I've never been more proud to work with and be part of such an amazing team and this experience will definitely change how we approach sourcing as we look to do our part to create a more resilient health care supply chain.

JHC: What project or initiative are you looking forward to working on?

Steele: Vizient is so much more than a GPO. I'm excited about continuing to evolve our relationships with members and suppliers so that our conversations are much more strategic and not just focused on price. We want to work together to improve supply chain resiliency and better connect products to clinical outcomes. When we each bring our best forward, it's amazing the types of innovative programs we can offer to Vizient members. Performance improvement requires data and analytics, deep expertise and innovative conversations moving us lightyears ahead of traditional supply chain. We are focused on supporting our members in their efforts to provide quality care for patients regardless of the type of facility, including when they are receiving care at home.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Steele: Ten years ago, I was just entering the healthcare industry. For the first seven years, I was focused on purchased services, working with member hospitals helping them identify,

categorize and develop a savings plan for that array of products and services. I then moved to medical, surgical and distribution sourcing, which is quite a bit different than purchased services. After 10 years, I've gained a much better understanding of the needs and challenges our members face as well as considerations that are unique to suppliers. I have the opportunity to work with some of the smartest people I know. It's incredibly humbling but certainly leads to a nonstop learning environment which I truly enjoy.

Ten years ago, I was just entering the healthcare industry. For the first seven years, I was focused on purchased services, working with member hospitals helping them identify, categorize and develop a savings plan for that array of products and services. I then moved to medical, surgical and distribution sourcing, which is quite a bit different than purchased services.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Steele: For years, healthcare providers have been laser-focused on savings. This focus has driven them, in many cases, to the lowest priced product in the market, which is often manufactured in other countries. With the pandemic, we've all experienced the consequences of this strategy. Everyone in healthcare now understands the

importance of redundancy in manufacturing, stable manufacturing environments and access. This may mean a shift to more North American sites. We will all have to weigh the risk of potentially higher costs versus stability as we move forward.

Transparency into the supply chain is key to mitigating future shortages. Our industry must evolve to increase our ability to monitor raw materials, understand the manufacturing origin of the products, how they are transported, manage reserves and increase our collaboration

with vetted suppliers. This will help ensure our member hospitals' focus during emergency situations is not on finding products but on caring for patients.

Robert Wiehe

Senior vice president, chief supply chain and logistics officer, UC Health, Cincinnati, Ohio



The Journal of Healthcare Contracting (JHC): What is the most challenging/rewarding project you have worked on in the last 12-18 months?

Robert Wiehe: I would have to say that my current role on the Perioperative Leadership Team has been the most challenging project I have encountered in my five-plus years in healthcare. The role has dictated that I immerse myself with the perioperative team and quickly learn from the subject matter experts the issues that we are facing as a system.

It has been rewarding in the sense that I have been able to learn from front-line staff, leverage the strong relationships that I have with our clinical chairs/physician group and bring a different skill set to the

team to help lead improvement efforts in both efficiency and quality.

In many ways, we are using similar methodologies to what we use in Supply Chain by applying data and lean principles to develop interventions and solutions to problems. While the work is still underway, we have already started to improve utilization and expand OR capacity to help UC Health live into its purpose to advance healing and reduce suffering.

JHC: What project or initiative are you looking forward to working on?

Wiehe: Over the past two years, Supply Chain has worked hard to align with our physician partners and become “physician led and supply chain supported.”

About

Born in Cincinnati, Ohio, Robert Wiehe received his undergraduate degree in manufacturing engineering from Miami University in Oxford, Ohio, and his master's in business administration from The University of Cincinnati.

He began his career in the automotive industry as a project engineer and advanced through various leadership positions in the consumer goods industry, primarily focused on operations management and supply chain. He is certified in change management and is a six sigma lean black belt.

Over the course of his career, Wiehe has managed global supply chains and numerous manufacturing facilities, serving as a supplier to companies such as Procter & Gamble and Wal-Mart. He has served on national boards of

directors in the industry, and currently serves as an adjunct professor at Miami University where he teaches operations and supply chain management.

At UC Health, Wiehe is the senior vice president, chief supply chain and logistics officer working as an integral leader in the operations team. Since assuming the role in June 2015, his responsibilities have expanded beyond Supply Chain to include managing Sterile Processing, Clinical Engineering and the Project Management Office. Recently, he has been assigned as the operations and logistics lead on a Perioperative Leadership Team tasked with improving Operating Room utilization and expanding capacity across the health system.

The integration between supply chain and our physician partners is one of the most important projects that we continue to evolve and grow. It is important that our front-line clinical staff views supply chain as a strategic partner who shares a common vision that focuses on our patients.

At the core of this project is lean principals, clinical informatics and relationships. We have invested heavily in the necessary resources to provide and use data to drive better decisions and focus on clinical quality and safety. Through transparency of data and inclusion in strategy development, we have built a strong foundation for the future.

We have had strong support from both the Chief Medical Officer and Chief Operating Officer; and continue to build trust and develop physician champions through our various initiatives. I am truly excited to see our collaboration and partnerships continue to grow and to see the benefits to our system and patients.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

Wiehe: In addition to continual self-development and pushing myself to take on new challenges, I have a deeper understanding today of how diversity and inclusion can drive better results. As I have grown older, I have become more aware of the importance of deeply understanding and listening to various perspectives and how this can effectively drive performance improvement regardless of the project.

I also have a better understanding today of the importance of analyzing a situation and being flexible on what approach I may take. I am more comfortable today with being either a leader or sometimes a teammate based on what the situation dictates.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Wiehe: I think there are several take-aways that Supply Chain leaders will learn from this pandemic:

1. Collaboration and communication with clinicians are critical to Supply Chain operations
2. A deep understanding of clinical usage and patient population is necessary to improve demand planning
3. Strategic partner communication about upstream supply risks is vital
4. Community collaboration and coordination needs to be a part of the new normal

I'm proud to work for UC Health because as the region's academic health system, we are a source of hope for all people, regardless of how complex the health challenge – especially during the COVID-19 pandemic.

About UC Health

UC Health is an integrated academic health system serving the Greater Cincinnati and northern Kentucky region. In partnership with the University of Cincinnati, UC Health combines clinical expertise and compassion with research and teaching – a combination that provides patients with options for even the most complex situations.

Members of UC Health include: University of Cincinnati Medical Center, West Chester Hospital, Daniel Drake Center for Post-Acute Care, Bridgeway Pointe Assisted Living, University of Cincinnati Physicians (includes nearly 900 board-certified clinicians and surgeons), Lindner Center of HOPE and several specialized institutes including: UC

Gardner Neuroscience Institute; UC Cancer Institute; and UC Heart, Lung & Vascular Institute. Many UC Health locations have received national recognition for outstanding quality and patient satisfaction.

With more than 12,000 employees, it is one of the largest employers in Greater Cincinnati. And during the 2019 fiscal year, UC Health had 2 million visits and admissions from patients from all 50 states. UC Medical Center is also the region's only level I trauma center for adults, and saw more than 121,000 Emergency Department & Trauma visits last year.

Learn more at uhealth.com.

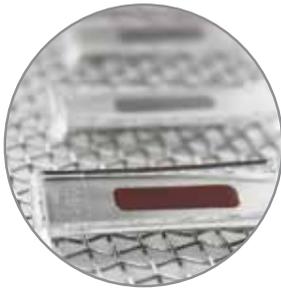
PROFORMANCE™ CLEANING VERIFICATION

CLEARLY VISIBLE, EASY TO INTERPRET, OBJECTIVE TESTS OF CLEANING METHODS



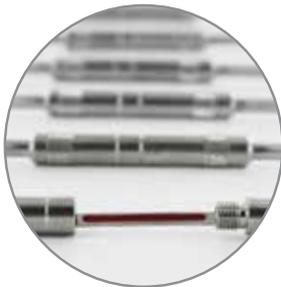
SONOCHECK™

When the ultrasonic cleaner is supplying sufficient energy and conditions are correct, SonoCheck™ will change color. Problems such as insufficient energy, overloading, water level, improper temperature and degassing will increase the time needed for the color change. In the case of major problems the SonoCheck™ will not change color at all.



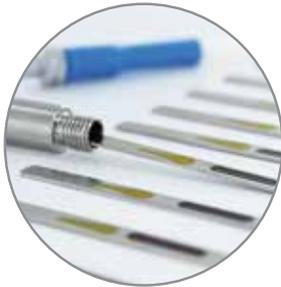
TOSI®

Reveal the hidden areas of instruments with the TOSI® washer test, the easy to use blood soil device that directly correlates to the cleaning challenge of surgical instruments. TOSI® is the first device to provide a consistent, repeatable, and reliable method for evaluating the cleaning effectiveness of the automated instrument washer.



LUMCHECK™

The LumCheck™ is designed as an independent check on the cleaning performance of pulse-flow lumen washers. Embedded on the stainless steel plate is a specially formulated blood soil which includes the toughest components of blood to clean.



FLEXICHECK™

This kit simulates a flexible endoscope channel to challenge the cleaning efficiency of endoscope washers with channel irrigation apparatus. A clear flexible tube is attached to a lumen device with a test coupon placed inside; the entire device is hooked up to the irrigation port of the endoscope washer.



HEMOCHECK™/PROCHEK-II™

Go beyond what you can see with all-in-one detection kits for blood or protein residue. HemoCheck™ is simple to interpret and indicates blood residue down to 0.1µg. The ProChek-II™ measures for residual protein on surfaces down to 0.1µg.



Susan Schrupp

Senior vice president and chief purchasing officer at Community Health Systems



***The Journal of Healthcare Contracting (JHC):* What is the most challenging/rewarding project you have worked on in the last 12-18 months?**

Susan Schrupp: Responding to COVID-19 has not only been the most challenging project in the past 12-18 months, but also in my entire 28-year career in health care. CHS' focus has always been to secure the supplies needed to protect our patients and staff, and that continues as our primary focus despite the challenges faced in Supply Chain.

Coming to CHS in the role of CPO and re-launching our Supply Chain has been rewarding and gave us a solid foundation for the COVID-19 response. The positive, collaborative spirit by our clinicians, hospital operators, IT, corporate departments, and executive team has been amazing. We've set our future vision and outlined key focus areas that include: execution of Clinical Initiatives, enhancing Data Analytics, refining Sourcing, restructuring our Supply Chain Operations, and implementing a single Supply Chain Platform.

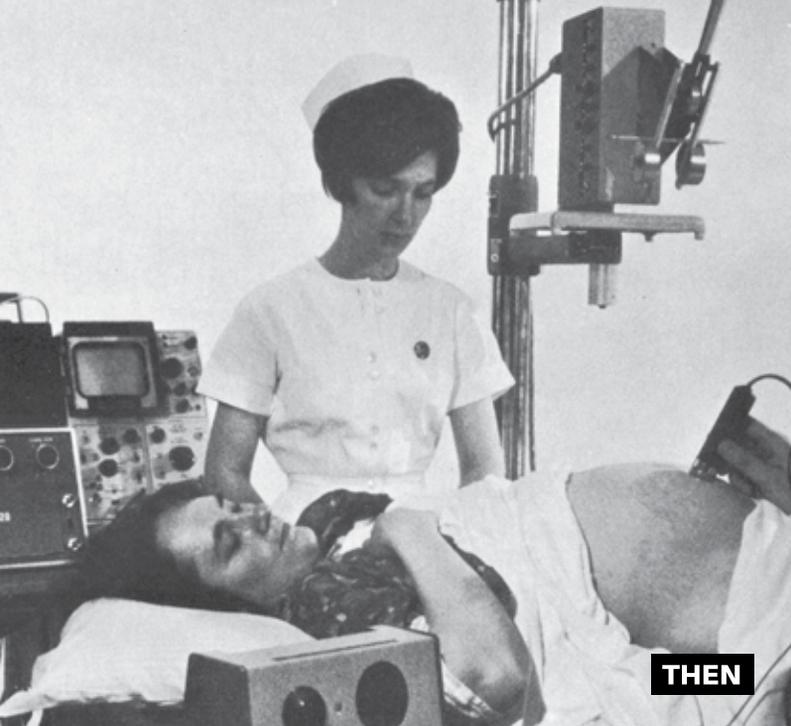
This is a multi-year journey and we have been highly centered on building the plan collaboratively, communicating our progress and performance, and engaging end users to build an intuitive high performing model. We are seeing a significant return on this investment and we will continue our journey focusing on having the right items, at the right time, at the right price.

About

Susan Schrupp, is the senior vice president and chief purchasing officer for CHS overseeing Supply Chain. Schrupp joined CHS in May of 2018 and has the responsibility for managing the procure-to-pay process for the health system's spend of more than \$4B annually in supplies and purchased services. Additional areas of responsibility include overseeing contract administration, lab and imaging service lines, travel, and biomedical engineering functions.

Schrupp has over 25 years of experience in healthcare group purchasing organizations including Premier, Consortia, and HealthTrust Purchasing Group and executive supply chain roles with Catholic Health Initiatives and MNS Supply Chain.

Schrupp holds a bachelor's degree in health services administration and a master's degree in business from Western Illinois University.



THEN



NOW

IS YOUR ULTRASOUND GEL KEEPING UP WITH TECHNOLOGY?

Expect more.

Ultrasound has changed dramatically over the last 50 years, yet there's been almost no change in ultrasound gel to ensure it keeps up - *until now*. Fine-tuned to meet the needs of technicians, technology, devices and range of diagnostic uses, EcoVue sets the standard in high quality ultrasound gel.

Made in the USA



99% natural
and less mess
for patients



Exceptional image
quality and glide
reduces potential
for wrist fatigue



Packaging that
meets efficiency
and infection
control demands



Easier on
equipment
to extend the
lifecycle

ecovue.com



EcoVue[®]
Ultrasound Gel

This is a multi-year journey and we have been highly centered on building the plan collaboratively, communicating our progress and performance, and engaging end users to build an intuitive high performing model. We are seeing a significant return on this investment and we will continue our journey focusing on having the right items, at the right time, at the right price.

Schrupp: I believe these areas are essential to continuous improvement in health care supply chain:

- › Keep focused on clinical partnering.
- › Communicate your plan and openly and routinely measure progress.
- › Back assumptions with data. Provide access to data and collaboration with stakeholders to achieve mutual goals.

- › Keep a solid, collaborative relationship with your clinical leaders.
- › Know your data and keep it orderly to be ready for planning and knowing where help is needed.
- › Drive each day to leading a Supply Chain that is agile, efficient, and effective. Investments in standardization and documentation of key processes is a must.

The positive, collaborative spirit by our clinicians, hospital operators, IT, corporate departments, and executive team has been amazing. We've set our future vision and outlined key focus areas that include: execution of Clinical Initiatives, enhancing Data Analytics, refining Sourcing, restructuring our Supply Chain Operations, and implementing a single Supply Chain Platform.

JHC: What project or initiative are you looking forward to working on?

Schrupp: Upgrading our Supply Chain ERP system by moving to the Cloud. We have opportunities to improve our business processes for our hospitals and better leverage the collective volume of the organization. Making our procure-to-pay system more intuitive and efficient for end users to focus on the right cost management areas is key. Our partnership with finance operations and IT is imperative to modernizing our system.

JHC: How are you better at practicing your profession than you were 5-10 years ago?

- › Ensure incentives are aligned to move collectively in the right direction within your organization and your group purchasing organization.
- › Keep the door open for feedback from leadership and your team members. I am thankful for honest, direct leaders that share what is on their mind and are engaged to make change and improve.

JHC: What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?

Schrupp:

- › Be at the table with your leadership team.

Brad Alexander

Vice president of business intelligence and performance for the resource, engineering, and hospitality group, Providence



About

Brad Alexander is vice president of business analytics and performance for the resource, engineering, and hospitality group for Providence. Alexander has been with Providence since 2013. Before that, he worked as a management consultant for Camber Collective (formerly SwitchPoint LLC), and Deloitte Consulting, advising clients in the healthcare and life sciences industry.

The Journal of Healthcare Contracting (JHC): What's the most challenging or rewarding project you've worked on in the last 12 to 18 months?

Brad Alexander: It's hard to answer that without something related to the COVID-19 crisis, which we're still obviously in the middle of.

We were at the leading edge of the COVID-19 crisis here in Seattle. We had the first recorded case in the country. We had to quickly rethink how we do demand planning and forecasting, how we manage our supplies in the hospital, and how we maintain visibility over and ultimately control over those inventories. One of the first things we did was refine our LUM-based, point-to-point planning and distribution system – a major push for us over the course of the last several years. In certain categories we went back to a bulk hub-and-spoke, very tightly controlled, maximally transparent system – particularly for PPE and those other critical supplies. We brought all PPE back into stock rooms, increased the frequency of our cycle counts, and tracked all the transactions in and out of inventory.

Next, we built and deployed new tools in order to create visibility into those supply categories across all of our sites. This included our acute hospitals, but also clinics and long-term care facilities. Once we deployed those tools, our planners were able to work with ops and logistics leaders in the field to

dynamically rebalance inventories across sites and regions in response to the evolving crisis.

Finally, we built a forward-looking predictive forecasting model to anticipate what our supply needs would be so that we could coordinate effectively with our sourcing organization and distribution partner. In June, we launched a formal MRP (materials requirements planning) process. Our planning team reviews the latest forecasts with ops and logistics and sourcing leaders, the team validates the forecasts, and based on those forecasts balances inventories and plans spot buys. Where markets are not able to meet demand, we actively work with our infection prevention leaders to design clinical protocols to align use with available supply as best we can.

It has been a big effort to deploy these processes and tools, but we are now in a much better position to respond to supply shortages. Looking back on my three years in supply chain here at Providence, this has probably been one of the biggest challenges that we've faced. We aren't through it yet, but the way the team has responded is inspiring.

JHC: What project or initiative are you looking forward to working on in the future?

Alexander: We're in the midst of a ERP transformation. Providence has grown over the years through a series of mergers and affiliations, so we currently

have multiple ERP systems to manage supply chain operations and finance and HR functions across our various hospitals and lines of business. We're going through a large-scale effort right now to consolidate those systems and migrate over to Oracle Cloud.

That's going to be a multiyear effort. I'm really looking forward to using that as a platform to further modernize our operations and logistics functions. We've got a lot of transformation efforts that are tied to that project that we are running both in parallel with and as a direct result of that effort.

I've supported several of our service lines, namely cancer and digestive health. I led strategic analytics in our FP&A function. And now I'm with supply chain, which we call the Resources, Engineering and Hospitality Group. That diverse set of experiences I think has made me much more effective in my current role.

JHC: How do you feel that you're better at practicing in your profession than you were 5-10 years ago?

Alexander: Two simple things stand out – more experience and greater technical background.

I've held a number of roles while I've been at Providence and it has given me an opportunity to see different parts of the organization. I've had finance leadership roles in our medical group. I've supported several of our service

lines, namely cancer and digestive health. I led strategic analytics in our FP&A function. And now I'm with supply chain, which we call the Resources, Engineering and Hospitality Group. That diverse set of experiences I think has made me much more effective in my current role.

Historically, I've been more of a business finance analytics type person. I've got a consulting background prior to joining Providence, and the technical and platform aspects of my current role have forced me to increase my technical skills and capabilities. That's

one of the things I've enjoyed the most, and I've gotten a lot of value out of it in my current role. It's really pushed our supply chain organization to a different level. The kinds of things that you are able to do with data and analytics, particularly in supply chain, and that we've had to do in order to manage a 51 acute care site organization effectively has really forced me to grow, and it's taken our organization in a totally different direction.

JHC: What lesson or lessons do you think the supply chain leaders across the country are going to take from the COVID-19 pandemic?

Alexander: A lot of our time and energy over the course of the last several years has been focused on operating efficiency and slimming down inventories, migrating to a LUM model and point-to-point distribution, and integrating more closely with our main distributor partner.

We've used that philosophy and system to create more efficiency in the supply chain in general, but LUM is a much leaner model and doesn't protect as well against things like pandemic shocks. So, as we evaluate that model, we're increasingly looking at it as a spectrum. On one hand, you've got LUM that really maximizes operating efficiency but risks disruption in times of crisis. Then you've got bulk hub-and-spoke on the other end of the spectrum. That was one of the things that we had to recognize in initial days of the crisis. We had to switch from one model to the other for a host of categories that we manage. Being able to do that more dynamically and more quickly will be essential to manage future crises. ■

The power of point-of-care testing



Lab results weigh heavily into the medical decisions made by today's providers.

According to the Centers for Disease Control & Prevention (CDC), 14 billion lab tests are ordered annually, and by one industry estimate nearly 70% of medical decisions depend on laboratory results.

But what happens if the clinician is forced to wait days, or weeks, for results?

At best, the clinician may start a treatment plan without a complete picture of what the patient needs. Some clinicians may prescribe medication and courses of treatment based on symptoms alone, with the goal of providing their patients immediate relief.

However, this practice puts patients at risk of taking unnecessary medication, which can contribute to antibiotic resistance causing longer hospital stays, higher medical costs and increased mortality. The World Health Organization has identified antibiotic resistance as “one

of the biggest threats to global health ... today.” In a fact sheet on antibiotic resistance, the World Health Organization explained that when infections aren't cured with first-line antibiotics, more expensive medications may need to be used, increasing both the number of appointments and expense for the patient.

New abilities, greater efficiencies

Time matters now more than ever. Medical practices utilizing point-of-care testing (POCT) platforms may be able to deliver results within minutes, depending upon the test, rather than hours or even days.

Time is essential, but it's just one of several reasons for medical providers to consider POCT. Benefits include:

- › **Accuracy.** POCT gives the clinician the ability to not only draw patient samples in the office, but also receive the results in the office, which can help accelerate the development of an informed, accurate treatment plan.
- › **Reducing follow-up.** In an article, Lab Tests Online notes that POCT can reduce follow-up visits or calls, and reports that delivering the routine tests hemoglobin A1c, hemoglobin, and lipids at the point-of-care resulted in a 21% decrease in tests ordered for each patient, 89% reduction in follow-up calls, and 61% reduction in patient follow-up visits. Accurate results help clinicians

confidently treat their patients with a plan that may reduce the need for additional testing and limit unnecessary patient follow-up.

- › **Cost.** Developing your POCT portfolio is an innovative way to cut costs related to the patient visit. The quick turnaround time improves the entire patient flow, and cuts laboratory costs such as specimen packaging and transportation.
- › **Convenience.** Customer experience is important to all generations, but none more so than to millennials, now the largest generation in the United States, according to the Pew Research Center. According to *Forbes*, this generation has grown up in a technology-powered consumer environment where transparency, rapid delivery, and convenience are the norm. Reports and Data states that the estimated 71 million millennials (ages 20–35) are driving the need for immediate and reliable results.

Discovering the possibilities

As POCT continues to expand and manufacturers continue to innovate, clinicians are looking for support outside of a standard product transaction. There are new lab products and solutions being introduced into the market on a regular basis, making it difficult for clinicians and laboratory professionals to have awareness on the latest technology that can drive optimum outcomes

for the patient. Clinicians will need training and knowledge on compliance and connectivity, as well as a grasp on what adding POCT testing will mean to current staff and whether additional staff will be needed to have a successful POCT program.

Having a POC Specialist that understands guidance around compliance, training and the reimbursement landscape is critical to long-term success.

There are new lab products and solutions being introduced into the market on a regular basis, making it difficult for clinicians and laboratory professionals to have awareness on the latest technology that can drive optimum outcomes for the patient.

Whether it is a new or existing customer, Henry Schein approaches the POCT consultation around a discovery process with an emphasis on collaboration.

- › What are your goals for lab testing in office?
- › What tests are you currently performing today and are these tests meeting your expectations?
- › How important is turnaround time in your laboratory?
- › Are you looking to improve workflow efficiencies by running tests at the point of care vs sending out?

“Point-of-Care Specialists at Henry Schein are vested in understanding product and technology advancements in the Point-of-Care segment and support our customers in modeling the financial and operational benefits and challenges with adding new testing to their practice,” said Gary Dennis, Director of Sales, Point of Care Group US, Henry Schein. “We work alongside the customer to understand their goals and develop a lab strategy that delivers value to their practice and the patients they serve.” ■

COVID-19 and POCT

The COVID-19 pandemic only amplified the critical importance of POCT for the nation's frontline caregivers. Through its POCT portfolio and industry partnerships, Henry Schein has played a key role in providing point-of-care testing to health care professionals and responded to the urgent need for wide availability of rapid point-of-care testing for COVID-19.

To learn more about how to drive operation and clinical efficiency with Point-of-Care Testing, visit henryschein.com/POCT



REBUILDING TOGETHER

On the journey of health care delivery, the pandemic presents an unexpected detour. Henry Schein Medical is **committed to provide you with the resources you need to rebuild your practice.**

To learn more, visit

[HenrySchein.com/RebuildTogether](https://www.henryschein.com/RebuildTogether)



Domestic demand

GPO, health systems acquire stake in domestic manufacturer of face masks

Premier Inc. and 15 health systems announced they had acquired a minority stake in Prestige Ameritech, the largest domestic manufacturer of face masks, including N95 respirators and surgical masks.

Under the agreement, Premier members commit to purchase a portion of all face masks they use annually from Prestige Ameritech for up to six years, inclusive of a three-year renewal option. The arrangement with Prestige Ameritech is part of a Premier strategy to work with members to invest in domestic and geographically diverse suppliers of PPE and other medical equipment currently in

shortage due to the COVID-19 pandemic, according to the company.

“With past outbreaks such as SARS, H1N1 and Ebola, the nation talked about domestic manufacturing and expanding supply sources as the keys to preventing shortages, only to return to the same over-leveraged overseas markets once the crisis was over,” said Premier President Michael J. Alkire. “This move is the latest step in

our long-term commitment to changing the way we source critical products so that we never again experience shortages as a result of overreliance. Our economic prosperity can no longer be tied to things we buy – it must also come from things we make.”

Share Moving Media, publisher of *Repertoire Magazine* and *The Journal of Healthcare Contracting*, reached out to Premier, as well as one of the health systems participating in the program, for insights into the agreement, PPE demand, and future of the market. Responding were Michael J. Alkire, president, Premier Inc.; and Raymond Davis, vice president, Supply Chain, Universal Health Services.

UHS

JHC: Can you give us some perspective of how COVID-19 affected your PPE needs? What were your typical needs before COVID-19? What about during?

Raymond Davis: Prior to COVID-19, at Universal Health Services (UHS), our typical supply usage was relatively consistent year over year. We would experience increased usage due to seasonality at certain times of the year. However, for the most part demand was both consistent and forecastable.

COVID-19 created a substantial increase in demand for all personal protective equipment (PPE). We have experienced supply demand spikes in excess of 300% for a majority of PPE items. Due to these demand increases we have had to vet and partner with alternative vendors to ensure access to adequate supplies.

Prior to COVID-19, PPE supplies were monitored and managed as one important area of many within the Supply Chain (other similar priorities would include blood products, trauma and surgical packs, etc.) but now it has become the highest priority.

UHS owns and operates 26 Acute Care Hospitals in the U.S. and 200+ Behavioral Health Hospitals. We care for 3.5 million patients/year so our PPE supply requirements are significant.

JHC: What are the long-term projections of what the need will be?

Davis: The UHS supply chain team is modeling several scenarios based on our current demands and the potential ongoing increase needs due to COVID.

In addition, we believe there will be long-term implications on standards of care, specialized screening equipment

needs, and changes in supply usage practices driving us to think differently about future needs.

We are currently in the process of aligning new standards for temperature monitoring equipment, PPE usage, and evaluation of all current supplier channels to ensure we create redundancy within our supply chain.

JHC: Why is it important for your organization to partner with an effort to have an expansion of domestic PPE production?

Davis: Partnering with the largest domestic supplier is important to UHS for several reasons: it is vital for UHS to support U.S.-based companies, having a partnership domestically allows for less risk in the

“COVID-19 created a substantial increase in demand for all personal protective equipment (PPE). We have experienced supply demand spikes in excess of 300% for a majority of PPE items.”

– Raymond Davis, VP, Supply Chain, Universal Health Services



Raymond Davis

supply chain, and these types of partnerships create a platform for us to have a deeper level of influence and control.

JHC: How will healthcare look different moving forward as a result of what has happened with supply/demand of PPE?

Davis: There will be a substantial push for companies to partner with or create new types of relationships with domestic manufacturers, supply chain redundancy, visibility of inventory from end to end (manufacture to customer), and greater

analytics around demand signals will all be areas of dynamic change and evolution across the healthcare supply chain.

Premier

JHC: Can you give us a snapshot of PPE supply/demand before COVID-19 and during? How much did demand spike among Premier members?

Michael Alkire: According to Premier's purchasing data, hospitals and health systems across the United States typically buy 22-25 million N95 face masks each year. As COVID-19 cases grew across the U.S., Premier conducted several surveys of our members to understand their PPE inventory on hand, increasing consumption rates and unmet needs.

Our data showed that during January and February, demand for N95s surged, up 400% and 585%, respectively, and by mid-February, most healthcare facilities were receiving just 44% of the N95s and 82% of the surgical masks they ordered. In mid-March, as new hotspots were emerging, our member survey showed that active cases of COVID-19 created surge demand of 17 times the typical burn rate for N95 respirators, 8.6 times for face shields, 6x for swabs, 5x for isolation gowns and 3.3x for surgical masks. And as the pandemic heightened in April, when annual N95 usage was calculated to be more than 200 million masks per year, our survey data showed that isolation gowns replaced N95 masks as the top shortage concerns among hospitals and health systems treating COVID-19 patients. This was likely a result of conservation measures put in place to extend the use of N95s.

In the post-acute setting, we found in March that more than two-thirds of

skilled nursing and assisted living facilities could not obtain the necessary N95 masks, face shields and other PPE needed to care for current or suspected cases of COVID-19. In early April, we checked in again to find that 24% did not have N95 masks on hand, and the majority of respondents had fewer than two weeks' supply of surgical masks, isolation gowns and face shields.



Michael J. Alkire

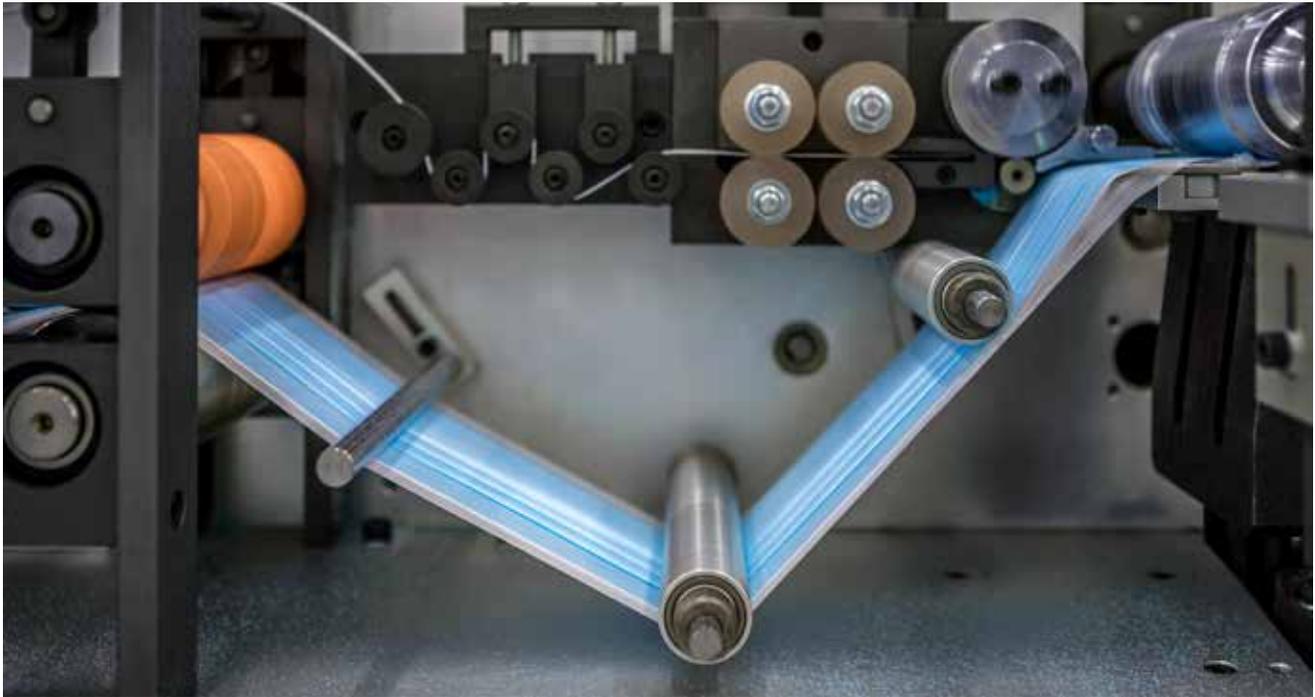
JHC: What are the long-term projections of what the need will be? Why was it important to have a commitment of up to six years?

Alkire: Sixty-eight percent of product disruptions occur due to poor demand signaling. It takes significant capital and resource investment by a manufacturer to effectively build and plan capacity to meet long-term demand, and to create adequate redundancy and the safety stock that is needed to ensure a continuous supply of product to customers. Manufacturers can do this if they have long-term, predictable demand that is provided by long-term agreements.

To balance the risk of any potential disruption, Premier aims to work with manufacturers that have onshore, near-shore and off-shore options. With this specific agreement, Prestige Ameritech now has long-term, multi-year commitments from Premier and multiple members that give them certainty and allow them to dedicate the resources necessary to increase PPE production for the foreseeable future.

“Our investment with our members in Prestige Ameritech is part of a larger, overarching Premier initiative to ensure a healthy supply chain through diversification, which we’ve been talking about for over a decade.”

– Michael J. Alkire, President, Premier Inc.



Premier members participating in the initial investment include:

- › AdventHealth (Altamonte Springs, FL)
- › Adventist Health (Roseville, CA)
- › Advocate Aurora Health (Downers Grove, IL, and Milwaukee, WI)
- › Ballad Health (Johnson City, TN)
- › Banner Health (Phoenix, AZ)
- › Baptist Health South Florida (Miami, FL)
- › CommonSpirit Health (Chicago, IL)
- › Genesis Health System (Davenport, IA)
- › Henry Ford Health System (Detroit, MI)
- › McLaren Health Care (Grand Blanc, MI)
- › Riverside Health System (Newport News, VA)
- › St. Luke's University Health Network (Bethlehem, PA)
- › Texas Health Resources (Arlington, TX)
- › Universal Health Services, Inc. (King of Prussia, PA)
- › University Hospitals (Cleveland, OH)

JHC: Can you provide us some details of the agreement with Prestige?

Alkire: This agreement with Prestige Ameritech is part of Premier's newly announced initiative to work with members to invest in domestic and geographically diverse suppliers of PPE and other medical equipment currently in shortage due to the COVID-19 pandemic. Prestige Ameritech represents a vertically integrated domestic supply chain, with production of raw materials and finished goods completed in the United States. Prestige also sells 100% of its products to U.S. customers. Prestige produces a range of PPE, including N95 respirators, surgical masks, face shields, surgical gowns goggles, tube holders and ear loop elastics. We plan to purchase a minimum of 46 million masks each year through the transaction, with the ability to scale for additional demand from the broader Premier membership.

JHC: What are some other parts of Premier’s strategy to invest in domestic and geographically diverse suppliers of PPE?

Alkire: Premier’s approach is about balance, ensuring that supplies come from diverse regions, countries and continents, and, for some critical products, demanding at least one domestic source. Our investment with our members in Prestige Ameritech is part of a larger, overarching Premier initiative to ensure a healthy supply chain through diversification, which we’ve been talking about for over a decade. As an example, we’ve operated a company called S2S Global for nearly a decade, and it is grounded in global and dynamic sourcing. Through S2S Global, our members

have the ability to dictate the specifications of certain supplies or products, and we go factory-direct to the country of origin and work with manufactures to produce these products to their specifications. This creates an alternative sourcing channel for our members, while providing financial incentive and security to the manufacturers.

In early 2019, Premier launched ProvideGx to address drug shortages. The ProvideGx model allows Premier to:

1. Utilize unique contracting mechanisms to incentivize manufacturers to enter the marketplace for shortage drugs;
2. Align a committed group of members with a manufacturer to

effectively build and plan capacity to meet long-term demand, and create adequate redundancy and safety stock to ensure a continuous supply of product for customers; and

3. Invest alongside manufacturers to help alleviate the financial strain associated with bringing these older drugs to market.

One key tenet of the ProvideGx program is prioritizing manufacturing of these drugs in the United States where possible. Sixteen of the 18 drugs brought back to market through ProvideGx in its first year were manufactured in the United States.

JHC: How will healthcare look different moving forward as a result of what has happened with supply/demand of PPE?

Alkire: The pandemic has shed a light on how the United States is overly reliant on overseas markets for a host of goods, with less than 10% of isolation gowns made in the U.S. and less than 10% of disposable PPE products made in the U.S. Going forward, Premier will ensure that our nation is going to have access to a healthier and more predictable supply chain, which will include domestic capacity and geographic diversity for critical medical supplies.

Many healthcare providers rely on a “just-in-time” inventory process that is going to change, whether due to federal guidelines, state regulations or more sophisticated supply chains. Providers will work more closely with their supply chain partners and group purchasing organizations to ensure diversified sourcing, as evidenced by Premier’s investment with its members in Prestige Ameritech. ■



PPE products critical for the daily operations of health systems are overwhelmingly sourced overseas, with approximately 80% coming from China and Southeast Asia, Premier said in a release. “The risks of this overreliance on Asia came into sharp focus as COVID-19 swept across the globe and these nations closed borders and prevented U.S. access to supplies, triggering widespread shortages of PPE needed to protect healthcare workers and patients. In contrast, Prestige Ameritech represents a domestic supply chain, with production completed in the United States. Prestige also sells 100% of its products to U.S. customers.”

From concept to completion

How one healthcare company's vision for expanding its laboratory capabilities went from whiteboard to reality with the right laboratory product and distribution expertise.

This spring, GenCure, a subsidiary of BioBridge Global, was ready to announce the good news. Its biomanufacturing facility at the VelocityTX Innovation Center in San Antonio was now fully operational. The cGMP-compliant, biomanufacturing space is an extension to what GenCure and BioBridge Global already are doing – supporting the use of cells and tissue to save and enhance lives. The expansion allows for the production of consistent, clinical-grade, adult stem cells on a large scale – stem cells needed to bring potential new therapies through early to late phase clinical trials, and then to be available for routine prescribing, according to the organization.

Michael Fiske, MS, vice president, GenCure Biomanufacturing Center, said the project called for a high degree of collaboration and lab expertise. GenCure would need high-tech laboratory equipment to be delivered and installed at the site within a condensed timeframe, and it would need a flexible distribution partner willing to have boots on the ground during the build to help coordinate the effort.

Based off previous experience, Fiske reached out to Thermo Fisher Scientific for its combination of innovative Thermo Scientific-branded equipment and Fisher Healthcare's distribution experience for a consultation on the project. "I have now built and validated five cGMP clinical manufacturing facilities. Each case used a significant amount of Thermo Scientific equipment. So, from my perspective, why mess with a good thing?"

Needs assessment

GenCure's vision for the expansion was to distinguish itself in the stem cell therapy field with technology to scale up processes to



produce commercial amounts of material. "Our expansion needed to add cleanroom space," Fiske said. "Not only larger cleanroom space, but also large-scale Thermo Scientific equipment for the expansion of cell therapy production."

After an in-depth needs assessment, GenCure opted to outfit its laboratory space by utilizing Thermo Fisher's breadth of laboratory products, from biological

safety cabinets to centrifuges and cold storage equipment. (see list on page 42).

Along with the equipment came a team of experts needed for the complex installation. The biggest challenge of the expansion was having so many moving parts occurring simultaneously. The project involved three components:

- › The renovation of an old, on-site warehouse by the development firm Texas Research and Technology (TRTF).
- › The fabrication of cleanrooms by G-CON Manufacturing, Inc. located in College Station, Texas.
- › The supply chain management of laboratory equipment and its installation by Fisher Healthcare.

Thermo Fisher devoted several team members to the project to have a constant presence at the build site, including a business development manager, a lab products specialist and a Fisher Healthcare account executive.

Typically, lab equipment is moved into a space that's clean, sterile and ready to go – it's simply a matter of "plug and play." In the case of GenCure's custom project, the lab equipment had to be received, validations conducted by Unity Lab Services and then stored offsite at a nearby temporary warehouse before installing at the correct time in GenCure's custom space. Having access to Thermo Fisher's team members from the detailed needs' assessment to complex installation process

allowed for experts to be pulled in for detailed, highly-technical conversations as needed throughout the project. Because of the condensed timeline, this proved critical to the success of the project.

“So, you had this three-pronged approach to pulling the facility together,” said Fiske. “It had to be run concurrently, and then completed at the same time so we could put it all together in one piece. The project management aspects of that were probably some of the most challenging I’ve ever had to deal with.”

New possibilities

The finished facility was well worth the effort. The biomanufacturing



After an in-depth needs assessment, GenCure opted to outfit its laboratory space by utilizing Thermo Fisher’s breadth of laboratory products, from biological safety cabinets to centrifuges and cold storage equipment.



center includes an initial 6,700 square feet of clean-room production space, expandable to 14,000 square feet, and a 2,500-square-foot development lab, along with office and meeting space. The clean rooms are sized for a wide range of production volumes, up to a series of 250L bioreactors. The facility was also designed to be compliant with almost all the regulatory guidance and regulations across the globe. The biomanufacturing space is compliant with FDA regulations, EU Annex 1 and PMDA (Grade A, B, C,

D). “This facility is one of the highest levels of compliance that you can possibly get, which allows us the flexibility to be able to manufacture things that go into basically any market,” said Fiske.

There are already discussions on expanding the facility. “We have additional space that we can add clean-room space to, and so we are evaluating what types of equipment we will need for that space,” he said. “So, for any future expansions we will definitely be talking to, and partnering with, Thermo Fisher.” ■

Fisher Healthcare assisted GenCure in outfitting its custom lab with a cross section of high-tech Thermo Scientific equipment, IQ and OQ validation services, including:

- › Thermo Scientific™ 1300 Series A2 Class II, Type A2 Bio Safety Cabinets to be used in processing and cell culturing.
- › Heracell VIOS 160i CO₂ Incubator with 100% copper chambers.
- › TSX Series refrigerators and freezers for storage of high value samples and materials.
- › Sorvall Legend XFR Centrifuges, high performance equipment used for general processing in the cell culture, microplate, bioproduction space.
- › CryoPlus™ LN₂ storage and Cryomed™ Controlled-Rate Freezer for cryopreservation to ensure cell line viability.
- › Sorvall BIOS 16 Bioprocessing Centrifuges for high quality harvesting, separation and purification bioprocessing methods that require run-to-run reproducibility and traceability, and an enhanced capacity of up to 16 liters.



Outfit Your Lab with Thermo Scientific Equipment

As part of Thermo Fisher Scientific, the world leader in serving science, the Thermo Scientific and Fisher Healthcare brands provide high-tech equipment and cost-effective supply chain solutions.

Whether you're building a new space or updating an existing one, the Thermo Scientific portfolio offers a wide range of equipment and validation services, including centrifuges, safety cabinets, plasma freezers, and much more.

Visit fisherhealthcare.com to get started.

Diversifying the supply strategy

When member needs outweighed current contracted supplies, Vizient approached one manufacturer about a unique way to quickly scale to meet demand.



How do you handle a demand increase of 10 times the normal amount?

For healthcare suppliers and providers, that scenario became a reality almost overnight. “In the pre-COVID industry environment, there was simply no way that the suppliers or providers could have adequately planned for this unprecedented and ongoing spike in demand for PPE,” said Margaret Steele, vice president, contract and program services for Vizient, Inc.

One example is the use of N95 respirators before and after COVID-19. Given the significant barrier protection these respirators provide, their use was limited to surgeries and other high-risk cases before COVID-19. This meant a minimal

number of staff were using them on daily basis on a limited number of patients. “For the 3K+ hospitals we serve, this translated to an annual usage of ~10M/YR,” said Steele. “During COVID-19, the use of these respirators expanded through many more patient interactions and many more staff using them each day. Early indications are that in the next 12 months we will see purchase volumes of these same respirators potentially go beyond 1 billion.”

Gowns have seen similar levels of exponential surges in demand and Vizient has been working to increase supply. One of the GPO’s initiatives involves an agreement with Encompass that Steele said will bring 19 million AAMI level-3 disposable isolation gowns into the supply chain yet this year.

In March, Steele said her organization quickly recognized the rising need for AAMI level 3 isolation gowns and the lack of supply to meet the growing demand. Vizient met with Encompass executives to discuss the possibility of restarting some manufacturing lines in Mexico. An agreement was put into place enabling Vizient members to have exclusive access to millions of these gowns during this pandemic. “As member needs increased, Encompass was able to quickly scale to meet the demand,” said Steele. “This is an example of how Vizient will find ways to contract short term with suppliers who can provide supplemental product during times when member demand outweighs the ability to meet demand by current contracted suppliers.”

As a result of the supply challenges from the pandemic, Steele said many Vizient members have requested to diversify their current supply strategy to include those with U.S. or North American based

manufacturing. “While many suppliers have or have committed to having manufacturing plants in North America, we are evaluating the top PPE categories to be sure we address this imperative for our members,” she said. “At Vizient, we want to offer more to members than just additional supply options. We are also focused on improving supply chain resiliency for suppliers by offering a two-sided marketplace. This new digital platform will bring visibility to the availability, consumption and need for supplies.”

were offering products such as N95 masks which were in such high demand. To that end, many healthcare facilities were hurt by unsavory suppliers/brokers. However, I now believe they understand that their GPO partner is in a better position to identify and vet alternative sources for supplies for them. Vetting suppliers is difficult and time consuming. This is where the GPOs really can play a role in providing necessary protections for their customers.”

Healthcare providers have begun to work more closely with other hospitals,

“While many suppliers have or have committed to having manufacturing plants in North America, we are evaluating the top PPE categories to be sure we address this imperative for our members.”

– Margaret Steele, vice president, contract and program services for Vizient, Inc.

Moving forward

Steele said the majority of Vizient’s members are looking to have a minimum of 90 days of certain products on hand moving forward. These products include facial protection, isolation gowns, gloves, etc. This presents several challenges including finding the product, the cash outlay for that product, finding space to appropriately store it and ensuring the inventory is turned regularly to keep the products from expiring.

“When the pandemic really hit hospitals, providers looked to their distributors to find alternative resources when supplies were scarce,” Steele said. “Some also decided to go direct with vendors that

some of which were competitors for things like N95 respirators, isolation gowns and face shields. “We witnessed a lot of healthy collaboration between our members to help one another when they could.”

Steele said she suspects we might see a return to more use of reusable products (i.e., gowns, masks, etc.). “This certainly guarantees supply however, facilities will have to be certain they have the appropriate sterilization services in place. The initial inventory investment can be substantial as well. We are hearing from many Vizient members that moving forward they will use a hybrid of disposable and reusable gowns and caps.” ■

Health news and notes



Hitting the gym

In a health blog, the Cleveland Clinic offered safety tips for workout warriors as they begin to head to gyms and fitness studios again. The tips included:

- › Know your gym's rules and safety protocols before you go. Some facilities are doing temperature checks when entering the gym or mandating when certain groups of people (or how many) can work out at one time.
- › Wear a face mask if you can. Several gyms are asking members to wear a face mask, so be sure to ask your gym what the protocol is.
- › Bring your own towel and water bottle. Many states have required cities and businesses to turn off public water fountains, including in gyms.
- › Distance yourself. Most gyms and health clubs are required to space out machines and equipment so that people are farther apart, but pay attention to how close you are to others throughout the gym at all times.
- › Wipe down everything. Many facilities have provided more sanitation stations throughout the gym. Clean and wipe down everything you touch before and after – from dumbbells, to treadmills and resistance bands.
- › Go in with a plan, but be flexible. Before COVID-19, it was OK to wander around the gym or wait (patiently) for the squat rack. These days you'll want to minimize your time in the gym to reduce your exposure.
- › Tread carefully with group fitness classes. Find out if your gym has minimized class size and what the protocol is for equipment.
- › If you have any symptoms whatsoever – stay home!

- › Don't settle for being uncomfortable or unsafe. Don't be afraid to speak up or move to another area of the gym or health club if you're not comfortable.

Read more at: <https://health.clevelandclinic.org/headed-back-to-the-gym-after-quarantine-heres-what-to-consider>.

A strategic plan for nutrition

What if each of us had individualized dietary recommendations that helped us decide what, when, why, and how to eat to optimize our health and quality of life? This precision nutrition approach – developing targeted and effective diet interventions in a diverse population – is among the ambitious goals set out by the 2020-2030 Strategic Plan for National Institutes of Health Nutrition Research, according to a release. NIH, guided by its Nutrition Research Task Force (NRTF) and armed with the insights from the nutrition science community, practitioners, the public, and others, has created a bold vision to advance nutrition science discoveries over the next 10 years. With a focus on precision nutrition, the plan reflects the wide range of nutrition research supported across NIH – over \$1.9 billion in fiscal year 2019. The strategic plan calls for a multidisciplinary approach through expanded collaboration across NIH Institutes and Centers to accelerate nutrition science and uncover the role of human nutrition in improving public health and reducing disease.

The strategic plan is organized around four strategic goals that answer key questions in nutrition research:

- 1. Spur Discovery and Innovation through Foundational Research:** What do we eat and how does it affect us?
- 2. Investigate the Role of Dietary Patterns and Behaviors for Optimal Health:** What and when should we eat?
- 3. Define the Role of Nutrition Across the Lifespan:** How does what we eat promote health across our lifespan?
- 4. Reduce the Burden of Disease in Clinical Settings:** How can we improve the use of food as medicine?

The plan has five cross-cutting areas relevant to all these strategic goals, including minority health and health disparities; health of women; rigor and reproducibility; data science, systems science, and artificial intelligence; and training the nutrition scientific workforce.

The strategic plan aligns with the National Nutrition Research Roadmap 2016-2021 created by the Interagency Committee on Human Nutrition Research, a trans-federal government committee charged with enhancing the coordination and communication among multiple federal agencies conducting nutrition research.

As the plan is put into action, NIH will continue to seek input from the nutrition community and others. The task force will guide the plan's application through implementation working groups that will pursue opportunities to:

- › Advance the priorities identified in each of the strategic goals and cross-cutting research areas
- › Catalyze nutrition research at NIH-funded universities and institutions and in NIH labs

The task force will track the progress of the plan and post information on its website.

Rate of metabolic syndrome rising among under-40 group

According to *HealthDay News, U.S. News & World Report*, a new study finds that 1 in 5 people under age 40 now have metabolic syndrome, a group of risk factors that together increase the odds for many serious conditions, including diabetes, heart disease and stroke. The rate of metabolic syndrome is rising in all age groups – as many as half of adults over 60 have it. But among 20- to 39-year-olds, the rate rose 5 percentage points over five years, the study reported.

Metabolic syndrome is a group of heart disease risk factors that occur together. They include:

- › A large waistline,
- › High blood pressure,
- › Higher-than-normal blood sugar levels,
- › High triglyceride levels (triglycerides are a type of blood fat),
- › Low levels of good (HDL) cholesterol.

“The trends for metabolic syndrome are very alarming. A huge proportion of the adult population is affected – overall, 37% of adults in the United States. In young adults, the prevalence was remarkably higher than in our previous study through 2012,” said study co-author Dr. Robert Wong, from the Veterans Affairs Palo Alto Health Care System in California. Read more at: www.usnews.com/news/health-news/articles/2020-06-23/more-young-americans-developing-unhealthy-predictors-of-heart-disease. ■

HIDA unveils public-private framework for U.S. pandemic preparedness and response

HIDA has recommended to the government a pandemic framework that builds on the lessons learned from the spread of COVID-19. Policymakers, healthcare providers, manufacturers and distributors have learned that they need to prepare now for future pandemics by working to

- › make the supply chain more robust;
- › diversify sourcing;
- › expand and support surge manufacturing infrastructure; and
- › prevent development of a fraudulent, opportunistic marketplace.

A national strategy must support, not supplant, the commercial supply chain. We must make available and continuously replenish medical products to satisfy massive, sustained demand from healthcare providers, consumers, first responders,

states and essential workers. Planning should build on the strategy to support and leverage private infrastructure to develop a “whole supply chain” effort to leverage every global and domestic manufacturing source, medical distributor

and distribution center in the U.S. to contribute in partnership with government before and during a pandemic.

The future pandemic response infrastructure should be built on a foundation of four key components:

Forward-Deployed Personal Protective Equipment (PPE) Reserve:

Create stocks of federally funded and controlled pandemic supplies in up to 500 commercial distribution locations throughout the U.S., positioning inventory close to every healthcare provider and designed to meet their “first-call” needs until surge manufacturing capability can be mobilized.

Diversified Surge Manufacturing Capability:

Identify and establish a strategic blend of U.S. manufacturing facilities capable of surging to meet pandemic level demand, coupled with established near-sourced and global sources of low-cost, high-volume manufacturers that can increase volume to keep customers and stockpiles supplied.

Sustainable And Replenished Stockpiles:

Require centralized stockpiles to be replenished, as needed, by the surge manufacturing infrastructure to support state and



local government needs during a crisis and serve as a backstop to the commercial supply chain.

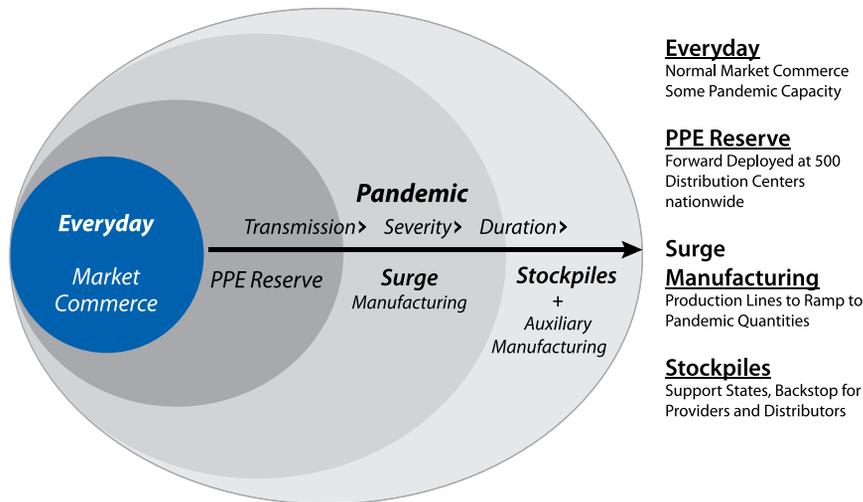
End-User Aligned Supply Chains:

Align distribution channels to categories of end users to avoid surge-driven competition for products that drives up prices and encourages profiteering brokers to enter the marketplace.

of the federal government and the private sector. On the public side, before a crisis, the government can set priorities regarding which products to stockpile and where to source them. It can provide the resources for “flex” reserves that can be drawn upon when a crisis suddenly drives up demand. On the private side, distributors are equipped to do what the government is not: handling the logistics of producing, managing

Stockpile, the Hospital Preparedness Program and for hospitals, healthcare facilities, and other public and private sector entities in order to increase medical surge capacity before, during, and after public health emergencies. In the beginning of 2020, HHS was in the initial stages of pursuing the mandates set out in PAHPAI when the COVID-19 pandemic struck. It was already taking advantage of a productive partnership with HIDA and its members through various work groups.

A Public-Private Framework Designed To Leverage The Logistical Expertise Of Health Industry Distributors With Planning, Prioritization And Resources Of The Federal Government



We must coordinate every global and domestic manufacturing source, medical distributor and distribution center in the U.S. to contribute in partnership with government agencies and planners before and during a pandemic.

Putting the framework into action: National legislation building on PAHPAI

This framework is a public-private partnership that draws on the respective strengths

and delivering billions of units of PPE and supplies during a time of crisis. Fortunately, there is already a model for deploying this type of partnership: the Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2019 (PAHPAI).

PAHPAI addressed all aspects of pandemic preparedness. It establishes a public-private partnership to assist the Assistant Secretary for Preparedness and Response (ASPR) in the development of various preparedness response programs. This includes the Strategic National

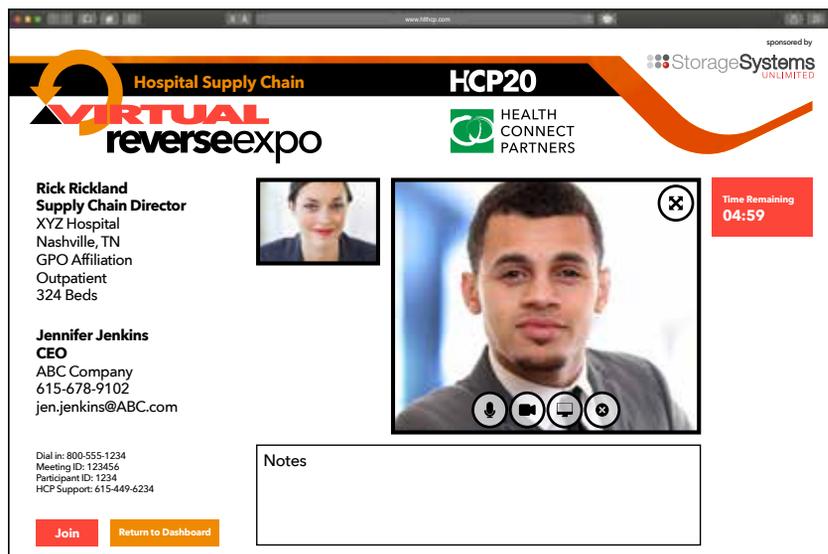
A call for new legislation building on the PAHPAI model

New legislation would require a more comprehensive public-private partnership than is currently provided by PAHPAI. The establishment of a forward-deployed PPE Reserve, maintenance of dynamic national stockpiles and development of surge manufacturing capacity are interconnected issues that would require a commitment of resources and multi-year planning. Using the workgroup model, an ongoing public-private partnership would assist the ASPR and the Strategic National Stockpile to identify 1) how much of which products to have in the distributor-managed PPE Reserve 2) which products and quantities should be in Strategic National Stockpile and 3) how to work with manufacturers to develop additional capacity and production diversification.

The Medical Supplies For Pandemics Act of 2020 : H.R. 6531, the Medical Supplies for Pandemics Act of 2020, and its companion in the Senate, S. 2827, provide for the establishment of the public-private framework described in this paper. Both bills were introduced with bipartisan sponsors and support, and HIDA and its members are working for their passage. ■

Bringing Providers and Suppliers Together During COVID-19

Amid the pandemic, HCP pivoted from live in-person conferences to a virtual experience for community-building among healthcare stakeholders



that rose to the challenge and provided a platform for leadership education and 1-on-1 connections during a time that live conferences are impossible to host.”

Many industry suppliers that participated have supported Jewell’s comment and raved about the Health Connect Partners technology and overall organization of the event, calling it one of the best virtual conferences they have been a part of. A Virginia-based hospital provider commented that they “really appreciate the opportunity to connect with vendors through the ReverseExpo and to collaborate with other providers. It was an honor to be selected to participate...”

The need for connection in our healthcare communities has never been

greater. However, being in the same physical place has not been possible due to the COVID-19 pandemic.

Faced with this dynamic, Health Connect Partners set out to find a new way to complete their company mission of ‘Bringing Providers and Suppliers Together.’ Within a very short window, the HCP team pivoted from live in-person conferences into an exciting virtual experience including, their signature Reverse Expo 1-on-1 interactions.

The HCP Spring Virtual Conferences were held between May 5 - June 11, successfully hosting more than 30,000 virtual 1-on-1 meetings. Specifically, the

Virtual Hospital Supply Chain Conference included participation from more than 270 hospital supply chain, GPO and industry professionals. Suppliers and providers were able to learn, connect and support each other through the custom-made HCP Virtual Reverse Expo platform – all from the safety and comfort of their office or home.

“The positive feedback from providers and suppliers has been overwhelming,” said Dan Jewell, director of provider relations for Health Connect Partners. “I’m so proud to be a part of a team

In addition to the Hospital Supply Chain Market, Health Connect Partners will also be hosting Virtual Reverse Expo Conferences this fall for:

- › OR & Surgical
- › Hospital Pharmacy
- › Hospital & Healthcare I.T.
- › Radiology & Imaging

HCP is looking to make their fall events even larger by expanding their educational opportunities to include up to 10 hours of leadership focused CE Education, 6 days of 1:1 Reverse Expo meeting opportunities, and additional marketing options for suppliers. For more information about these exciting online events please visit www.hlthcp.com. ■



helping you **stay**connected

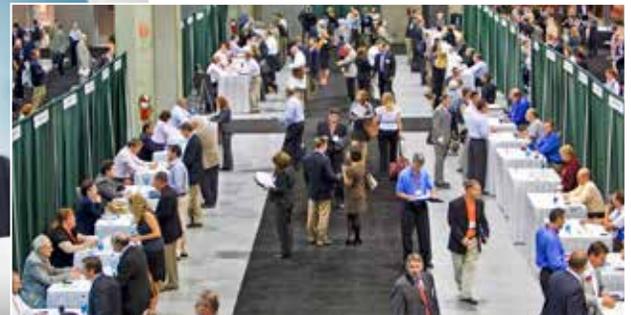
with Top Hospital Supply Chain Leaders

Health Connect Partners' goal is to connect providers and suppliers through educational meetings and conferences.

We're living in a new era and realize that the need for connection in our healthcare communities has never been greater, even though being in the same physical place is not possible for most of us this year. Health Connect Partners has pivoted to an exciting online experience including our custom built **VIRTUALreverseexpo** platform.

Health Connect Partners will be hosting its Fall Virtual Supply Chain Conference from September 28–October 22, with the **VIRTUALreverseexpo** taking place October 13–15 and October 20–22.

The Fall Virtual Conferences will feature six days of one-on-one virtualreverseexpo meetings and expanded educational opportunities to include eight hours of CE Education and additional marketing opportunities for suppliers.



HCP20
Hospital Supply Chain
fall **VIRTUAL** conference
September 28–October 22, 2020

HCP20
Hospital O.R. & Surgical
fall **VIRTUAL** conference
September 8–October 1, 2020

HCP20
Hospital Pharmacy
fall **VIRTUAL** conference
October 26–November 19, 2020

For more information contact Jim Friedlander 615.619.6025 jim.friedlander@hlthcp.com www.hlthcp.com

Back to Wellness: Rebuilding while managing through COVID-19.



What will “back to wellness” mean in the weeks and months ahead?

Clinical and supply chain experts agree that recovering from the coronavirus will demand strong leadership from physician-owners, managers and health system administrators, and expert guidance from infection preventionists, laboratory professionals and supply chain executives. In June, *Journal of Healthcare Contracting* Publisher Scott Adams anchored a “Back to Wellness” podcast series on the topic, sponsored by McKesson Medical-Surgical.

For physicians and facility managers, communication with staff prior to reopening will be critical, said Dr. Luis Rios Jr., MD, FACS [Rios Center for Plastic Surgery]. Staff who have been furloughed will need to review preexisting protocols and learn new ones, he said. Practices should try some dry runs with

a few patients before opening their doors to all. “Don’t open the floodgates all at once,” he said.

Triaging patients will be part of the “new normal” for physicians and surgery centers, said J. Hudson Garrett Jr., president and CEO, Community Health Associates LLC, in Atlanta, and assistant

professor of medicine, Division of Infectious Diseases, University of Louisville School of Medicine. Some practices and surgery centers might require patients to self-quarantine for a few days prior to their procedure or appointment (though, admittedly, that will be difficult for patients who need to work and cannot do so remotely.) Screening for illness, fever or COVID-19 symptoms will be common.

“But too often, the screening I see is simply, ‘Have you had symptoms? Do you have a fever?’” said Garrett. Providers also need to find out if the patient has traveled recently, or if they have been exposed to someone with a serious illness, such as COVID-19.

Physician practices will need to prepare for walk-ins, said Marc-Oliver Wright, MT (ASCP), MS, CIC, FAPIC, clinical science liaison, PDI Healthcare. They should post visuals to instruct patients what to do upon entering the facility, such as donning a mask, performing hand hygiene, etc. “You’ll need good physical separation in waiting rooms, or prompt rooming on arrival,” he added. Respiratory etiquette stations will be necessary.

Physician owners, administrators and clinical directors will also have to recognize the emotional needs of their staff. “Feeling safe on the part of staff is one of the most important things for managers to keep in mind,” said Crissy Benze, MSN, BSN, RN, Progressive Surgical Solutions, a division of BSM Consulting. Someone in the facility must be charged with monitoring updates from local, state and federal governments, stocking adequate supplies of personal protective equipment, ensuring that infection prevention protocols are adhered to, and keeping the staff informed of changes.

“In my career as an infection preventionist, one thing I’ve learned is that you cannot communicate with your staff enough in times like these,” said Wright. “We tend to think that everyone in health-care is equally well-informed, but that’s far from the truth.

“Hyper-communicating is probably the best thing for the practice. Lack of it breeds anxiety and fear. Staff will find information on their own, but not all of it is created equal. There’s information that is reliable and evidence-based, such as what you get from CDC or state and public health agencies ... and then there’s everything else. So it’s really important to have that dialogue.”

Infection prevention

One silver lining: COVID-19 has brought to the public’s attention the importance of infection prevention. But the road ahead for infection preventionists will be challenging.

“We keep talking about returning to a ‘new normal,’ but at the same time, we don’t know exactly what that means,” said Wright. “COVID-19 is new, unlike anything we’ve seen before,” including the 1918 pandemic. “Infection preventionists are being challenged to be proactive, responsive and pragmatic.” They may face new obstacles, including product shortages.

“We’re already preparing for COVID 2.0 this fall. If that occurs, it will overlap with flu and pneumonia season. Providers will need vaccines and pharmaceuticals for treating symptoms, and a lab strategy not only for COVID-19, but for flu screening and testing.”

– Greg Colizzi, vice president, marketing, Health Systems, McKesson Medical-Surgical

Your med/surg distributor can help providers stay on top of the situation, said Steven Dunn, senior segment manager for ASCs and Orthopedics. For example, we have introduced a “PPE estimator” as part of the McKesson Business Analytics (MBA) tool. Based on guidelines from the Centers for Disease Control and Prevention and other authorities, the tool helps providers to estimate how much PPE they will need in order to meet future demand, based on their estimates of patient volume and characteristics.

“This is a time to develop alternative plans or conservation plans,” added

Wright. Some providers have started reusing and reprocessing what historically had been single use items, such as N95 respirators. “They’ve done this out of necessity; but as we continue, white papers and recommendations will be published so others can learn from them.”

The lab

Just as COVID-19 underscored to the public the need for sound infection prevention, so too has it demonstrated the significance of point-of-care testing.

“We have always believed that having the highest-quality testing as close to the

patient as possible helps ensure that providers accurately diagnose, treat and care for patients locally,” said Derek Young, vice president, advanced product sales, McKesson Medical-Surgical. “COVID-19 hasn’t changed the way we feel about POC testing, but it has really driven home the point nationwide. We are finding that many providers who had chosen not to have laboratories or to have only limited ones are rethinking their strategies.”

COVID-19 brought with it shortages of lab instruments, tests, supplies and PPE, as well as a plethora of unreliable tests on the market, added Young. “We

heard horror stories about the impact of poor-quality testing or the misuse of tests, such as using antibody tests to diagnose active infections,” he said. The situation will become more complex come flu season. Physician practices will need to develop a plan, especially around respiratory illnesses.

That plan will drive what providers need from a testing standpoint, and it should prompt them to begin the implementation of that strategy as early as possible, said Young. “I’m afraid that those who wait until October or November may find themselves at the back of a very long line,” he said. Given suppliers’ inventory and manufacturing challenges, providers should consider bringing in redundant testing systems, including test kits and analyzers.

“We’re already preparing for COVID 2.0 this fall,” said Greg Colizzi, vice president, marketing, Health Systems, McKesson Medical-Surgical. “If that occurs, it will overlap with flu and pneumonia season. Providers will need vaccines and pharmaceuticals for treating symptoms, and a lab strategy not only for COVID-19, but for flu screening and testing.”

Caring for patients who have been discharged from a hospital for COVID-19 treatment will present its own set of challenges, he said. Many patients recovering from COVID-19 treatment have underlying health conditions that can become more severe, including heart disease, kidney disease and pneumonia. Providers may also see more patients with depression and cognitive impairment. “They will need to carefully think through patient requirements and the protocols and equipment needed to treat them, including home monitoring,” Colizzi said.

Questions on providers’ minds



Your health system’s physician practices and ambulatory surgery centers have plenty to think about as they reopen their doors. Participants in the “Back to Wellness” podcasts mentioned a few:

- › How will we screen/triage our patients?
- › How will we accommodate patients who are suspected of having COVID-19?
- › How will we accommodate social distancing in the office?
- › What is our protocol should a staff member contract the virus?
- › Who on staff will serve as our COVID-19 “point person,” staying abreast of developments in disease incidence, vaccinations and treatments?
- › What kinds of PPE will we need? How much will we need?
- › Who will train staff to use PPE properly – not too little, but not too much either?
- › What should be our protocol for cleaning and disinfecting exam rooms, treatment areas and common areas?
- › How can we use point-of-care testing to guide treatment decisions?
- › What kind of respiratory illnesses can we expect to see in the coming 2020-2021 influenza season?
- › What will the “new normal” look like after COVID-19?

Despite all its challenges, COVID-19 may advance the healthcare industry and profession, said Garrett. “People now recognize that public health is instrumental in stopping epidemics,” he said. “We have seen unparalleled collaboration between the public and private sectors, and the resilience of the American people. And we can get back to work with good infection control practices in place. The challenge will be, ‘Can we sustain all these positives?’”

To listen to the full podcast, as well as the other podcasts in the “Back to Wellness” series, visit www.jhconline.com/back-to-wellness-podcast-series.html.

Whether you never stopped working, are now seeing patients virtually, or are working through your re-opening process, McKesson’s main focus is finding ways to make the products you need available so that you can do what you do best.

Visit McKesson’s COVID-19 webpage regularly for updates, recommendations, best practices, webinars and resources. ■

Healthcare Group Purchasing Organizations:

Strengthening supply chain resiliency and supporting an effective response to COVID-19

Health crises like the coronavirus place enormous stress on the entire health-care system, including first responders, physicians, hospitals, other healthcare providers, and the patients they serve. As the sourcing and purchasing partners to America's acute and non-acute providers, healthcare group purchasing organizations (GPOs) play a critical role in supporting emergency response and public health efforts and are deeply committed to ensuring that healthcare providers and physicians are prepared to respond to challenges like the coronavirus.

GPOs are taking a number of innovative steps to support COVID-19 response efforts, including supply coordination efforts to help medical teams obtain much needed supplies and support surge capacity; adding new manufacturers to contracts to rapidly increase supplies, and working with non-traditional and adjacent industries to fill supply gaps for essential products such as hand sanitizer, isolation gowns, and surgical caps.

As part of our efforts, HSCA issued a series of principles and recommendations to further strengthen supply chain resiliency and enable an effective response to public health crises including:

- › Ensuring adequate supplies of PPE for healthcare workers on the front lines by working with all stakeholders to appropriately anticipate needs while preserving PPE and other critical products to help avoid disruption;
- › Supporting policy solutions that enhance upstream transparency and strengthen supply chain resiliency in advance of emergencies by enabling
- FDA and other authorities to have greater visibility into the source and location of manufacturing of medical products in advance of a public health emergency;
- › Enhancing capacity through increased supply chain diversification by leveraging the global nature of the supply chain to build in redundancies, shoring up domestic manufacturing as well as sourcing in various geographical locations to help prevent supply disruptions;
- › Fostering supply chain collaboration and communication among



public and private stakeholders to coordinate emergency response plans, identify potential areas of vulnerability, and create lines of communication to support comprehensive response and ensure the Strategic National Stockpile (SNS), as a critical partner, has access to the resources and funding it needs to support the public health and national security response capability;

- › Increasing access to timely information to inform response and allocation efforts and enable the use of data to help provider partners and public authorities prepare for, and respond to, public health threats and emergencies.

As an industry with a proven track record of providing critical support during emergencies like Hurricane Harvey, the California wildfires and the Ebola outbreak, GPOs are committed to helping America's healthcare providers and public authorities confront difficult challenges like the coronavirus to support patient care. HSCA and its member GPOs will continue to work with Congress, the Administration, federal agencies, and all healthcare stakeholders throughout the healthcare delivery system to protect the supply chain and ensure hospitals and healthcare providers are equipped to treat and prevent the spread of this disease and provide first-class patient care. ■

Calendar of events

Association for Health Care Resource & Materials Management (AHRMM)
AHRMM20 Conference and Exhibition
 September 2020
 Virtual Event
www.ahrmm.org/ahrmm-conference-exhibition

Federation of American Hospitals
2021 FAH Conference and Business Exposition
 March 7-9, 2021
 Washington Hilton Hotel
 Washington, DC

Health Connect Partners
Hospital Supply Chain Fall Virtual Conference
 September 28 - October 22, 2020
 Virtual Event

Spring 21 Hospital Supply Chain Conference
 May 3-5, 2021
 Baltimore, MD

IDN Summit
Fall IDN Summit & Reverse Expo
 August 24-26, 2020
 Virtual Event

Spring IDN Summit & Reverse Expo
 April 12-14, 2021
 Omni Orlando Resort at ChampionsGate
 Orlando, FL

Premier
Breakthroughs Conference
 June 15-18, 2021
 Washington, DC

Share Moving Media
National Accounts Summit
 November 4-5, 2020
 Atlanta, GA

Consolidated Service Center Forum
 November 3, 2020
 Atlanta, GA

IDN Insights East
 December 9-10, 2020
 Philadelphia, PA

SEND ALL UPCOMING EVENTS TO GRAHAM GARRISON, EDITOR: GGARRISON@SHAREMOVINGMEDIA.COM

Contracting News & Notes

Recent headlines and trends to keep an eye on



Baylor Scott & White Research Institute expands efforts in fight against COVID-19

Baylor Scott & White Research Institute, the research and development arm of Baylor Scott & White Health (Dallas, TX), announced it is accelerating its pace of bringing clinical trials online for research initiatives to combat COVID-19.

“Baylor Scott & White Research Institute continues to mobilize staff and resources, including components needed to integrate critical patient-safety measures at every participating site within the Baylor Scott & White system for industry sponsored drug trials, investigator-

initiated drug trials research studies, and observational and data studies designed to help increase knowledge around case trends, viral epidemiology, and care best practices,” the health system said in a press release.

“After bringing five clinical trials online in the early days of the virus’ impact, our COVID-19 therapeutic task force and our four institutional review boards have now approved more than 20 COVID-19 research initiatives. We have an unwavering commitment to helping our communities navigate the uncertainty of this virus,” said Jaime Walkowiak, chief research executive, Baylor Scott & White.

Premier Inc. recommends FDA, DEA reforms to prevent drug shortages

Premier Inc. (Charlotte, NC) says it has provided the U.S. Food and Drug Administration (FDA) and the U.S. Drug Enforcement Administration (DEA) with a list of reforms and regulatory waivers that it believes should be extended beyond the COVID-19 pandemic and made permanent thereafter in order to prevent drug shortages.

Premier specifically recommended that 503B compounding facilities be allowed to continue producing specific drugs that are not on the drug shortage

list based on specific criteria, such as a short-term or regional shortages or demand surges for certain dosage strengths and/or packaging sizes. The GPO says that “this waiver proved particularly helpful during the pandemic, as it allowed 503B compounders to quickly and seamlessly fill capacity gaps and alleviate spot shortages before they became severe enough to spread nationwide and make it onto the FDA drug shortage list.”

Premier also recommends that the FDA permanently abandon the arbitrary geographical limitation known as the “one-mile radius” provision for hospital compounding. Moving forward, the company recommends that the FDA adopt a time-based standard rooted in scientific evidence for sterility and stability of the compounded product.

Additionally, Premier recommends a complete overhaul of the quota allocation process, abandoning quotas based on weight in favor of establishing quotas based on dosage form and differentiating between injectables and solid oral dosage forms.

Hospitals scramble with new national COVID-19 data reporting system

Hospitals and states are scrambling to adopt a new national COVID-19 data reporting system hastily implemented by the Trump administration last week that has left some, mostly rural, states in the dark about the severity of their own coronavirus outbreaks.

The White House abruptly instructed all hospitals to stop reporting their COVID-19 data to the CDC’s National Healthcare Safety Network. Instead, the

U.S. Department of Health and Human Services (HHS) instructed hospitals to report the data to HHS through a new portal that went live this week. HHS gave hospitals only two days to comply and is withholding remdesivir, a vital drug used to treat COVID-19, from hospitals that do not comply.

Some states do not collect the data themselves and rely on the CDC to assemble and share the information, which public officials use to decide how to allocate key resources.

Vermont hospitals lost \$107M due to COVID-19

Vermont state regulators called state losses of \$107 million since the start of the fiscal year due to COVID-19 very troubling. Vermont’s 14 hospitals reported a combined \$77 million in losses in March and April alone. Hospitals are holding onto cash, deferring bill payments, and taking on more debt in loans from the federal government to stay viable.

Cleveland Clinic Akron General expanding physician training programs by 30%

Cleveland Clinic Akron General says it is expanding several areas of its graduate medical education program which will result in a 30% increase in the number of physicians it trains each year, once the program becomes fully operationalized in 2024. Prior to 2018, 138 residents were training at Akron General. This grew to 153 in the 2020-2021 academic year, which began July 1, and will reach 177 by 2024. Cleveland Clinic says the biggest growth will come from Akron

General’s decision to start a psychiatry residency program. Akron General had its own program many years ago, but shifted to participating in a shared program with several other local hospitals in the 1970s.

The new psychiatry program will have four residents in each of its four years of training, with the first group starting in July 2021. When it is fully implemented, with 16 participants, it will double the number of trained psychiatrists graduating in the Akron area each year. Akron General is also expanding its OB/GYN residency program, from four residents per year (in a four-year program) to five per year starting with this year’s class.

M2 drone system enables new delivery network at Wake Forest Baptist Health

Matternet (Mountain View, CA), a developer of an urban drone logistics platform, announced its M2 drone system is enabling a new hospital delivery network at Wake Forest Baptist Health (Winston-Salem, NC). The service, in collaboration with UPS Flight Forward (UPSFF), will use a hub-and-spoke routing model to provide rapid delivery of time-and-temperature-sensitive medicines and supplies, including PPE. Matternet and UPSFF have started operating on two routes from one location at Wake Forest Baptist Health to two other health system locations, marking one of the first hub-and-spoke operating models for the U.S. drone delivery industry. One route will transport scheduled deliveries of specialty infusion medicines. The second route will transport on-demand supplies of PPE.

Combating COVID with data

The Collective and Augmented Intelligence Against COVID-19 (CAIAC) alliance

An alliance of researchers across the country has formed to tackle complex data in an effort to better combat COVID-19.

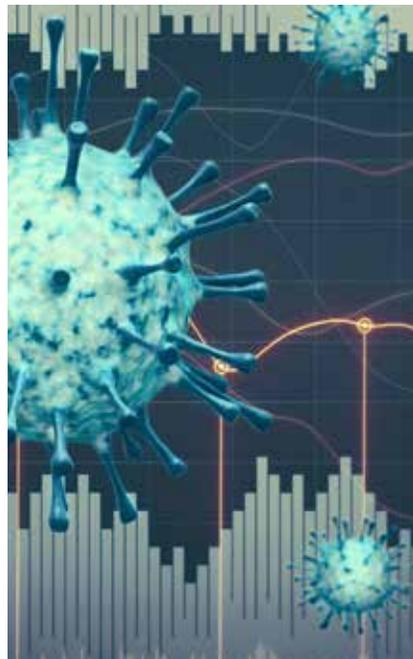
The Future Society and Stanford Institute for Human-Centered Artificial Intelligence (HAI), with the support of UNESCO and the Patrick J. McGovern Foundation, announced the creation of the Collective and Augmented Intelligence Against COVID-19 (CAIAC) alliance. CAIAC will establish an advisory group which aims to welcome experts from international organizations, including UNESCO, UN Global Pulse and other UN entities.

CAIAC will structure the rapidly expanding collection of global health, social and economic data on the pandemic to enable the world's decision-makers to confidently take action. "By turning data into knowledge, CAIAC will help those at the forefront of the fight against COVID-19, including multilateral institutions, policymakers, healthcare leaders, and the scientific community," a release said.

Scarcity of data

Actionable COVID-19 data has been scarce because the virus is still novel, the CAIAC said. At the same time data is abundant, as it emerges quickly from many different sources with no trusted filter. Research institutions, think-tanks, and NGOs have hurried to add their analyses and models to the data being reported by countries. The result, however, is a mass of information and a shortage of insight.

"To respond to this pressing global challenge, CAIAC is bringing together multiple data sources and expertise from a diverse group of global initiatives and building a dynamic and state-of-the-art decision-support tool that is comprehensive, authoritative, up-to-date, and ethical," the release said.



The initiative's founding members are partnering closely with private sector companies, including C3.ai, stability.ai, Element AI, Axis, GLG, and Planet on the technology that combines human and artificial intelligence to power this decision-making platform. Covington & Burling LLP is providing legal guidance for the initiative. The platform will be available to

multilateral organizations, governments and global entities. CAIAC will also collaborate with technical, scientific, and civil society partners around the world to collect data on COVID-19, identify critical domains where structured information on the pandemic is needed most.

CAIAC aims to create a Minimum Viable Product (MVP) focused on three initial use cases:

- › Tracking and tracing of contagion chains via mobility data and artificial intelligence
- › Identifying and addressing inaccurate information on COVID-19,
- › Finding marginalized areas most affected by second and third order pandemic impacts to deploy the appropriate interventions needed.

"CAIAC will enable the global community to better identify best practices and coordinate in the fight against COVID-19 by providing cross-country and cross-sector insights on all aspects of the pandemic," the release said. "The key to sustainable results is multi-stakeholder collaboration on a common, unified, transparent knowledge base that documents and disseminates best practices. CAIAC hopes to accelerate solutions that will help the world navigate the current pandemic, while also building a foundation of knowledge to address future global challenges." ■

For more information, visit www.caiac19.org.

The opportunity before us



In the 15 years I've helped put together each issue of *The Journal of Healthcare Contracting*, this year has (obviously) been unlike any other. Thus a small tweak to the annual People to Watch in Healthcare Contracting.

Along with the traditional insights into their initiatives, influences, goals and thoughts on leadership, I asked this year's group an additional question – “What lesson or lessons do you think supply chain leaders will take from the COVID-19 pandemic?”

Their full responses are in this issue's cover story, but I will share a handful of them in this column:

“COVID-19 presented the healthcare industry with an unprecedented set of problems and exposed major issues within the supply chain,” said Chaun Powell, MBA, group vice president, strategic supplier engagement, Premier Inc. “My biggest takeaway is ensuring that we have a sophisticated supply chain capable of enduring smaller disruptions or large-scale pandemics like this in the future.”

“If you think you are prepared for a pandemic, you likely aren't until you actually experience the situation,” said Mike Halmrast, senior director of contracting at Banner Health. “Often times the work that we have done to prepare for a pandemic tends to be outdated once the time come to utilize the info. So we need to constantly update our information and spend more time preparing for future pandemics.”

“There's a silver lining to everything that has happened,” said Marisa Farabaugh, BS, MBA, senior vice president and chief supply chain officer, AdventHealth. “It has catapulted healthcare supply chain to the forefront of discussion. Let's seize this opportunity to make meaningful changes to our industry that have a sustained impact on a stronger supply chain.”

Indeed, the healthcare supply chain has an incredibly opportunity in front of it to learn from the pandemic and make some pretty significant changes as a result. I suspect we will be covering those changes in the months and years ahead in future pages of *JHC*.



Midmark® Workstations + Telehealth Enabling Healthcare from Anywhere

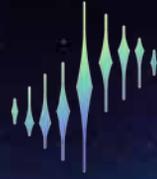
It is predicted that there will be 1 billion telehealth visits in the US in 2020, yet as of January, 76% of healthcare organizations in the US lacked a virtual care program.¹ **We can help.** Midmark Workstations are made to order with customization that can assist with the integration of telehealth and other technology at the point of care, wherever that may be.

Learn more at: midmark.com/designyourworkstation

Cameras not included.

¹ <https://go.forrester.com/press-newsroom/us-virtual-care-visits-to-soar-to-more-than-1-billion/>

© 2020 Midmark Corporation, Miamisburg, Ohio USA



conductiv

Illuminating the Path to Immediate Savings

Take control of purchased services spend through proven technology, expertise, benchmarks and GPO contracts.

Our solutions optimize your third-party service contracts through predictive analytics, precise market insights and rapid savings capture.

Learn more at conductiv.com/jhc