HIDA EDUCATIONAL FOUNDATION | THOUGHT LEADERS



Pandemic Preparedness Summit

Industry Observations and Policy Solutions

About Thought Leaders

In an effort to codify best practices and lessons learned from the COVID-19 pandemic, leaders from the Health Industry Distributors Association and the HIDA Educational Foundation have convened on a regular basis to produce the Thought Leaders series of white papers.

Thought Leaders was expanded to include federal partners who participated in HIDA's first-ever Pandemic Preparedness Summit. This group of thought leaders were tasked with answering the following question:

"How can the public-private partnerships established during the COVID-19 pandemic be strengthened?"

In developing this partnership, the summit participants catalogued the many milestones achieved by both the public and the private sectors during the pandemic.

Private Sector Milestones

Distribution

In 2020 and 2021, HIDA members applied their expertise and infrastructure to move a record **91.9 billion units of PPE** through the supply chain to healthcare providers.

Manufacturing

From 2019 to 2020, HIDA members ramped up production of personal protective equipment, including:

- **1018%** more N95 respirators
- **97%** more face masks
- **24%** more gowns
- **19%** more gloves

Public Sector Milestones

Vaccines

Federal partners delivered nearly **750 million doses** of free vaccine to 90,000 vaccination sites around the country and 221 million Americans are now vaccinated.

Therapeutics

Federal partners got more than **11.5 million courses of COVID therapeutics to communities** for free through pharmacies, long-term care facilities, health centers and other partners.

Testing

Federal partners worked with the U.S. Postal Service to deliver **more than 460 million at-home tests to 70 million American homes for free.**

EXECUTIVE SUMMARY

HIDA PANDEMIC PREPAREDNESS SUMMIT

On June 17, 2022, HIDA convened its first Pandemic Preparedness Summit, bringing together HIDA member executives and federal partners. Federal leaders from the Administration for Strategic Preparedness & Response (ASPR), the Strategic National Stockpile (SNS), the Federal Emergency Management Agency (FEMA), and the Food and Drug Administration (FDA) engaged with distributor and manufacturer supply chain leaders in collaborative dialogue regarding lessons learned and best practices that emerged over the last three years.

Key topics of discussion included:

- **Supply Chain Collaboration:** Stakeholders discussed collaborations and partnerships that would support, not supplant, the commercial supply chain. Efforts to enhance resiliency and visibility into the production and distribution of medical supplies were discussed.
- **Communication Protocols:** Participants built on the foundation of trust developed during the COVID-19 response, and developed recommendations to ensure the lines of communication between government and industry remain open.
- **Technology and Data:** Public-private partnerships can be enhanced by sharing the right information at the right time. Participants identified barriers to data-sharing that would inhibit future preparedness response.

NOTE: The policy solutions included in this thought leaders document do not represent the positions or opinions of the federal stakeholders who participated in the Pandemic Preparedness Summit.

ASPR Administration for Strategic Preparedness and Response | FEMA | FDA U.S. Food & Drug Administration | Strategic National Stockpile

Supply Chain Collaboration

Public and private stakeholders need to collaborate on efforts that would support, not supplant, the commercial supply chain. Neither the private sector or public sector alone possess the full scope of capabilities, infrastructure, funding, nor expertise needed to adequately provide for pandemic preparedness and response in the United States. Instead, supply chain collaboration can highlight the complementary roles of the commercial supply chain and government. The private sector is scaled to make, source, and distribute medical products to our nation's healthcare providers across the care continuum. Federal partners have provided the planning, funding, and prioritization to create a cohesive response.

npr

Trump Returns To The Road With Arizona Trip To Mask-Maker

May 5, 2020

A review of news coverage from the pandemic demonstrates a boom and bust cycle in PPE manufacturing. On May 5, 2020, President Donald Trump toured an N95 manufacturing facility in Phoenix, Arizona. He described a tour of "brand-new production lines" where employees were "working around the clock, three shifts a day, 6 days a week." President Trump compared it to the largest industrial mobilization since World War II.

Bloomberg

Honeywell Shuts Two Mask Factories as Face-Covering Demand Drops

June 14, 2021

Eleven months later, Bloomberg reported that the Phoenix facility would be closing, causing over 700 layoffs. A company spokesperson cited a dramatic reduction in demand for N95s as many states ended mask mandates and vaccination distribution ramped up.

The Associated Press reports over 300 businesses founded in the wake of the pandemic across 10 states are now shuttered despite over $125 million in funding from federal and state grants. According to the Associated Press, "Many companies that began producing personal protective equipment with patriotic optimism have scaled back, shut down or given up … Many manufacturers who answered the call have faced logistical hurdles, regulatory rejections, slumping demand and fierce competition from foreign suppliers."

AP Associated Press

Efforts to make protective medical gear in US falling flat

April 11, 2022

Neither the private sector nor public sector alone possess the full scope of capabilities, infrastructure, funding, or expertise needed to adequately provide for pandemic preparedness and response in the United States.

Industry Observations

Recognize Where Collaboration Worked

Strong partnerships can improve supply chain resiliency. During the COVID-19 response, distributors were critical to deliver to providers and points of care. Collaboration ensured product got where it was needed more rapidly.

Build Collaborative Capacity

More innovative uses of analytics, modeling, and cooperation across stakeholders can identify redundancies and pinpoint weaknesses. This builds capacity to overcome distress and disruption in the supply chain.

Understand Product Scarcity

As the pandemic response matured, the understanding of the concept of scarcity evolved.

Two Types Of Scarcity:

#1. Lack of alternatives – unique countermeasures for which alternatives do not exist, unless innovation creates them.

#2. Lack of product – where alternatives exist but production needs to ramp up to meet increased demand.

Keeping this distinction in mind allows federal partners to target interventions appropriately – support innovation or trust industry to ramp up production to fill the gap in a stockpile.

Policy Solutions

Maintain Warm Production Lines

To invest in capacity, manufacturers need certainty that there will be long-term government support and market demand for certain medical supplies.

- The Federal government should make long-term commitments to manufacturing partners. This will ensure surge capacity in the event of a public health emergency.
- Requiring commitments of at least two years is a step in the right direction. However, five-year contracts would give manufacturers a stronger incentive to invest in capacity.
- Assess appropriate incentives for healthcare providers to purchase products that will support capacity investment.

Ramp Up, Ramp Down. Distributors and manufacturers received mixed signals from the government and commercial market regarding need and urgency for product during the pandemic. This is an issue of both manufacturing capacity and stakeholder communication (see page 7). One policy solution would be a coordinated "Ramp Up, Ramp Down Plan" that would set triggers to engage production at various tiers of intensity.

Why Is It Needed? There is a danger prompting a ramp up in production not borne out by true demand. One historical example was the H1N1 event of 2009, where manufacturers produced an over-supply of masks for which the need did not materialize. It took almost a decade for excess product to rotate through the supply chain.

Communication Protocols

All stakeholders with a role to play in preparedness have certain responsibilities. These stakeholders must understand their role in preparedness response, the expectations other stakeholders have for them, and the tools to connect with one another in order to access products in an emergency. These relationships and communication protocols should be in place prior to a public health event and tested and updated on a regular basis – exchanging business cards during a crisis is not ideal and leads to confusion, misinformation, and miscommunication.

Participants built on the foundation of trust and communication developed during the COVID-19 response. Recommendations were developed to better structure protocols to ensure the lines of communication between government and industry remain operational in the future.

In December 2020, the journal *World Medical & Health Policy* published an article by Do Kyun David Kim and Gary L. Kreps entitled "An Analysis of Government Communication in the United States During the COVID-19 Pandemic: Recommendations for Effective Government Health Risk Communication." The article contained the following insights:

- As governmental power increases during national public health emergencies, effective government communication becomes increasingly essential for combating pandemics and stabilizing society.
- Effective government communication performs a major role in informing key public audiences about impending threats and best practices to minimize harm during emergencies.
- Best practices include internal government communication within and between government agencies and external communication with the public, the media, and other organizations, as well as with representatives of other countries who share similar health risks.
- Due to the interconnectedness of these different groups and organizations, government communication must be highly effective and well-coordinated to provide the best available information and advice to help manage pandemics.
- If government leaders do not communicate effectively in response to local, national, and global public health threats, people experience fear and instability due to limited reliable information.

Industry Observations

Build Sustainable Relationships

- The trust and communication built during the pandemic needs to be continued and informal networks and relationships need to be standardized.
- Federal partners need to know what the industry needs. Otherwise, federal partners will fill in the blanks without industry input.

Nurture Connections Between Stakeholders

- Such efforts build connective tissue between the public and private sectors, and retain the "muscle memory" of crisis response that can be used during the next adverse event.
- As leaders in our industry, it is incumbent on us to keep this synergy going so the next set of stakeholders won't have to reinvent the wheel for the next challenge.

Speak A Shared Language

- In order to minimize confusion, it is vital to for all stakeholders to communicate in common language, using mutually agreed upon definitions of key terms.
- For example, one popular metric during the pandemic was measuring "X days of supply" as compared to "X number of units." But the burn rate varied from provider to provider, which made it difficult to forecast shortages and match supply with need.

Policy Solutions

Send Clear Production Signals

- Develop a tiered, metrics-based system designed to signal to industry a need to ramp up production on a phased basis.
- Ideally, the system would consist of three phases (green/yellow/red, Tier One/Two/Three, etc.) which would communicate to industry an anticipated increase in demand for critical medical supplies based on the likelihood of a pandemic or other emergency.
- Such a system would also work in reverse, signaling a phased ramp down of production at the end of a pandemic.

Develop A Pandemic Playbook

- Emergency preparedness officials have created response playbooks that outline protocols to respond to a variety of episodic disasters – such as hurricanes, oil spills, etc. A similar playbook should be created for pandemic response.
- A pandemic playbook would include key contact information for public and private stakeholders, as well as an estimated timeline to ramp up production of key preparedness supplies.

Relationships and communication protocols should be in place prior to a public health event.

Technology And Data

In October 2020, Rear Admiral John Polowczyk, the supply chain task force lead in the Administration for Strategic Preparedness & Response, shared his thoughts about supply chain data management at a conference of federal contractors and government information technology specialists.

Admiral Polowczyk described the process of standing up the Supply Chain Control Tower in the early days of the COVID-19 pandemic. According to Polowczyk, SCCT contacted the six largest providers of medical supplies and asked them to share their data. By mid-April, federal partners could see orders from hospitals, nursing homes, first responders, and other healthcare organizations to the medical supply chain. They could see how the medical supply chain was getting material in from manufacturers, what they had in their warehouses and what they were delivering to their customers. By October 2020, this data collection had expanded to include inputs from 6,000 hospitals that treat COVID patients and about 15,400 nursing home facilities.

Supply chain data was cross-referenced against epidemiological data about the spread of COVID, enabling federal agencies to forecast shortages and pivot distribution networks to close the gaps. Admiral Polowczyk summed up his philosophy of data management as follows – "You can't manage the supply chain unless you can see it."

Just-in-time delivery doesn't only apply to goods – it applies to data. Public-private partnerships can be enhanced by sharing the right information at the right time. But barriers to data sharing inhibited preparedness response at critical junctures during the pandemic.

Industry Observations

Consolidate Incoming Inquiries

- During the pandemic, individual agencies were making separate inquiries about product availability and cost.
- This put a strain on industry partners who had to report the same information multiple times to a diverse array of federal partners.

Balance Transparency And Security

- Some elements of U.S. preparedness response are justifiably kept out of the public domain.
- When ASPR was initially conceived, man-made threats were top of mind, especially responses to chemical, radiological, and biological terrorism.
- Efforts to increase transparency into the Strategic National Stockpile must be balanced against legitimate national security interests.

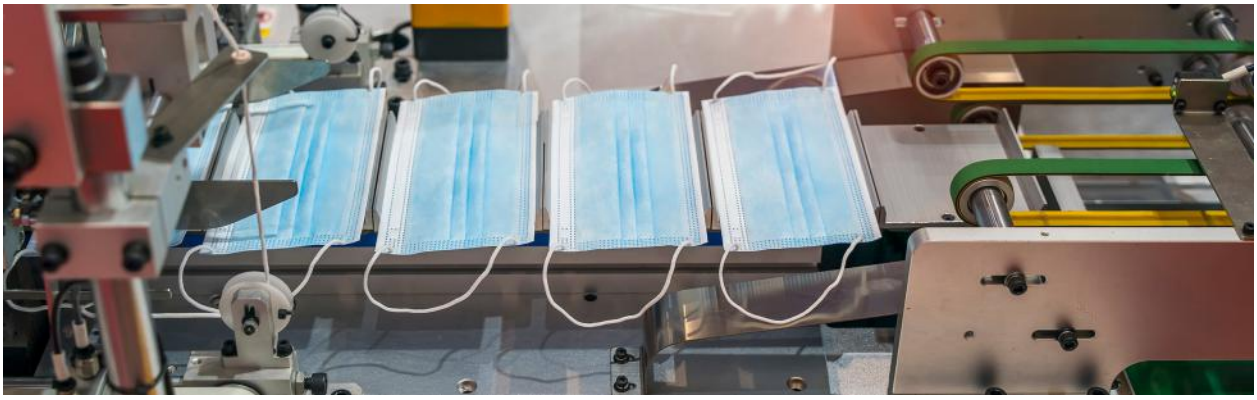
Policy Solutions

Develop A Critical Products List

- Data on consumption can be used to develop a critical supply list – so the demands of providers can be better matched to the supply capacities of manufacturers and distributors.
- One model for a Critical Products List would be to replicate the FDA's efforts to create a Critical Medical Device List – a list of key medical devices that should be stockpiled in the event of a pandemic.
- Such a database would be kept up-to-date to reflect mergers & acquisitions in the industry, so that federal partners would have a ready list of suppliers. Federal partners would make regular contact with these companies, perhaps through a designated liaison within each company.

Focus On Raw Materials

- Greater visibility is needed into data on raw materials, not just finished medical products.
- Healthcare is competing with other industry sectors for raw materials and components – such as resin and semiconductor chips.
- In many cases, there isn't enough data to predict shortages of raw materials, which has downstream effects on the availability of product.



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