



THOUGHT
LEADERS



Preparedness Summit

Year 2: Power Of Public/Private Partnerships

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 (HIDA) and the HIDA Educational Foundation have convened on a regular basis to produce the Thought Leaders series of white papers.

ABOUT THE PREPAREDNESS SUMMIT

The second annual HIDA Preparedness Summit, held on June 9, 2023 in Washington, D.C., convened a record number of federal, state, and local partners from key government agencies with leaders in the healthcare distribution industry to discuss how partnerships can build greater resilience.

Attendees were welcomed by senior leadership from Assistant Secretary for Preparedness and Response (ASPR) and the value of partnerships was highlighted. Sessions and tabletop discussions focused on:

- Providing feedback on the year-long work on monitoring the supply chain--and idea that originated at the first HIDA Preparedness Summit.
- Providing insight that led to the finalization of a Playbook that provides more information regarding various stakeholder roles and responsibilities for each level of supply chain monitoring -- green, yellow, and red.
- Discussing key factors that make up a strong domestic industrial base. This discussion was teed up by GOJO CEO Carey Jaros sharing the challenges of her company during COVID-19 and its successes.
- Discussing future opportunities for future public/private collaboration.

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 Preparedness Summit.

ABOUT HIDA

Health Industry Distributors Association (HIDA) represents the healthcare distribution network – the essential link between global healthcare supply manufacturers and local care providers. HIDA members operate more than 500+ distribution centers to bring critical products, supplies, and services to more than 560,000 healthcare settings across the U.S., including hospitals, long-term care, physician practices, home care, and laboratories. Visit [HIDA.org](https://www.hida.org).

EXECUTIVE SUMMARY



PREPAREDNESS SUMMIT

After discussions on collaborative supply chain monitoring, five main themes emerged:

- **Renew The Commitment To Public/Private Partnerships.** The commercial market supply chain leaders and public partners from federal, state, and local public health agree partnerships are the only way for effective preparedness planning and response. Neither can do it alone. Both complement the other's strengths.
- **Preserve Institutional Memory.** Private sector partners agree that it is their responsibility as supply chain leaders to ensure that supply chain stakeholders, policymakers, and the public preserve institutional memory when it comes to future response efforts. Companies and public sector partners need to focus on transmitting these lessons learned to the next generation of leaders.
- **Recognize That Data Is Critical.** Informed decision-making that utilizes impactful data is important to preparedness planning and response. Such data has multiple uses. Data can detect supply chain disruptions, assist with demand planning, and allow public sector partners to direct resources to where they are needed most.
- **Achieve Communication Consensus.** Any communications effort during supply chain disruptions must contain multiple linkages between partners. These linkages should be made among trading partners within the commercial market, between the commercial market and government partners at the local, state, and federal levels, as well as among government partners. Stakeholders should take into account end-users such as healthcare providers, retail settings, and the public.
- **Develop The Industrial Base.** A strong industrial base is a key component of a strategic blend of global, nearshored, and domestic product sourcing. However, a domestic industrial base requires a thoughtful approach so it is sustainable long-term. Stakeholders appreciate the role of business incentives from federal public partners. Federal partners can pre-screen companies capable of pivoting to produce medical-grade products for future pandemics and share that list with distributors and other supply chain stakeholders. End-users must be vested in supporting the domestic base for long-term sustainability.



SESSION #1

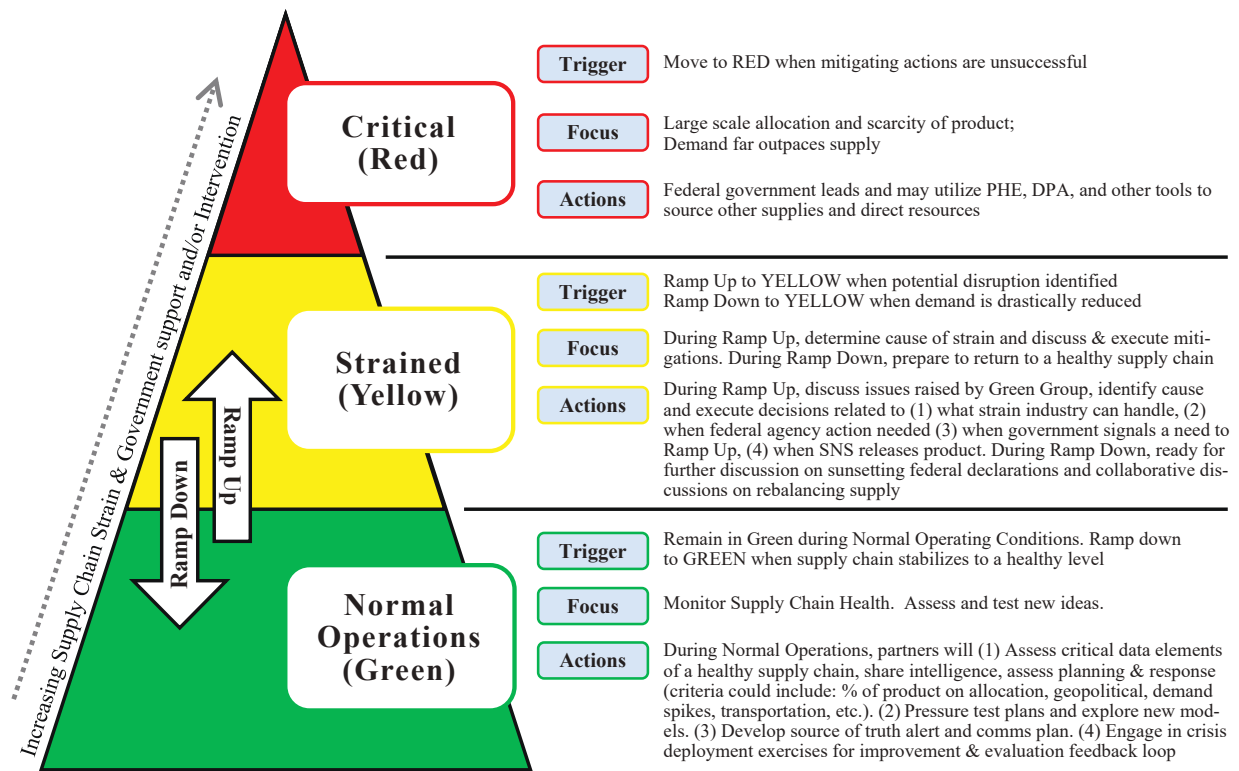
Ramp Up, Ramp Down: Supply Chain Monitoring Partnership

Panelists shared the result of a year-long effort – begun at last year’s Preparedness Summit – to develop a traffic protocol process to collaboratively monitor the supply chain and communicate the need to ramp up and ramp down production.

The process is a three tiered system:

- **Green** keeps us in a steady state
- **Yellow** requires elevated attention
- **Red** is all hands on deck

Panelists shared insights on the three tiers as well as what it means from each of their respective roles in the supply chain. The group also highlighted opportunities for next steps and teed up the tabletop discussions that were crafted to help finalize a draft Playbook that will provide additional context of the supply chain monitoring collaboration.



Tabletop Discussion #1: Supply Chain Monitoring

Attendees were tasked with discussing ideas highlighted in the first session for how public and private partners can monitor the supply chain, how issues can be communicated, as well as how decisions should be made when moving between Green, Yellow, and Red. The following are the key takeaways:

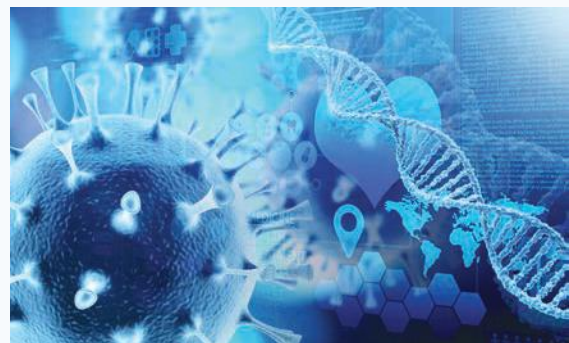
Monitor Key Criteria. Summit participants discussed the mix of political geopolitical, economic, climatic, and epidemiological factors to consider when monitoring the health and resiliency of the supply chain. Among these are issues of natural disasters, war or armed conflict, and political instability, especially in key nations that manufacture products and source crucial materials for the medical supply chain.

Specific ideas regarding key criteria include:

- Monitoring Southern Hemisphere flu season as a predictor of disease trends in the Northern Hemisphere.
- Monitoring critical items that will be needed in an emergency, such as “days on hand” of finished goods or raw materials.
- Establish benchmarks of critical products (such as PPE) for which high demand is a sign of a growing, but as-yet undeclared public health threat.
- Technology can assist this monitoring. During the pandemic, when people could not get inventory they went to online orders, the requests for which went back to the manufacturers.
- Stakeholders should pay attention to increases in online sales and search terms for specific products.

- During COVID-19, there was no clear definition of “hotspots.” Pandemic allocation models were changing every week, depending on which area was getting worse or better. It is important to have flexible definitions of “crisis.”

Buttress The Vital Role Of The Supply Chain Control Tower. Attendees discussed the importance of the Supply Chain Control Tower as an essential data warehouse, and it should remain the central repository of information about the medical supply chain. Stakeholders should identify gaps in the Control Tower’s data, especially from sectors of the economy not currently participating in the Control Tower.



LIST OF THE SEVEN VIRAL FAMILIES DESIGNATED BY ASPR

Experts suggest special attention should be paid to the seven viral families with the greatest pandemic potential – and the products that support pandemic response to these diseases.

- Adenoviridae: Adenovirus
- Coronaviridae: SARS-COV-2, SARS-COV, MERS
- Orthomyxoviridae: Influenza
- Pneumoviridae: Respiratory Syncytial Virus (RSV)
- Paramyxoviridae: Measles, Mumps
- Picornaviridae: Poliovirus, Foot-and-Mouth Disease
- Poxviridae: Smallpox

Take A Holistic Approach. Attendees discussed the need to broaden supply chain monitoring to include nontraditional suppliers rather than just key healthcare products on the market. This provides a more holistic and global view of the supply chain.

- The emergence of rapid tests during the COVID-19 pandemic is an example of how a new product and supplier can enter the market and cause stakeholders to rethink supply needs.
- Including nonhealthcare manufacturers (such as companies that make microchips) can provide a key early warning of medical supply disruption.



“If a burglar breaks into my house, I know to call 9-1-1. Who do I call to report a medical supply chain emergency?”

Keep Communication Active And Consistent.

In the words of one participant, “If a burglar breaks into my house, I know to call 9-1-1. Who do I call to report a medical supply chain emergency?” Participants discussed efforts to create a centralized communication protocol to share intelligence about emerging threats to public health and bottlenecks in the medical supply chain.

- Clear lines of communication should be established between ASPR, the White House, and state, local, and tribal preparedness officials.
- State and local coordination is a must. This includes line of sight into the contents of state stockpiles, and an understanding of the speed at which federal partners can respond locally and regionally.
- Government stakeholders should communicate early and effectively with distributors and manufacturers who have been designated as trusted partners.

Develop Triggers For Decision Making.

Triggers for escalating and de-escalating the green-yellow-red protocol, discussed by the first panel, must be clearly defined and data-driven. Look to market trends in the economy, monitor forces, vulnerability, and labor unrest. It is also important that public and private sector partners share information such as inventory and raw material on hand with the appropriate proprietary data legal protections. Decisions should be collaborative and consensus-driven by the monitoring partnership.

SESSION #2

Industrial Base: Vertical Integration To Prepare For The Next Pandemic

CASE STUDY PRESENTATION: “PREPARED FOR TODAY AND TOMORROW,” BY GOJO INDUSTRIES PRESIDENT AND CEO CAREY JAROS

Once the first COVID-19 case was identified in the U.S., GOJO’s sales and orders rose for Purell hand sanitizer products about 10X overnight. Within weeks, GOJO shifted from surge response to crisis response as COVID-19 became a global pandemic.

COLLABORATION WITH GOVERNMENT AND CUSTOMERS

In close collaboration with the government, GOJO then shifted into the next phase of its pandemic response efforts and prioritized product for healthcare, first responders, the military, and grocery stores. It continued to ramp up production – including adding three additional manufacturing and distribution facilities and securing its own captive source of high-quality ethanol in Northeast Ohio.

Jaros highlighted the need for a world-class supply chain that ensures quality, speed, and resiliency. “Supply chain is now one of the first things we talk about with our customers as one of our towering strengths,” Jaros said. “Every time we put a dispenser on the wall, it is a promise to our customers that they will always have our trusted products when they need us most.”

SOLUTIONS

In GOJO’s case study, Jaros highlighted three of GOJO’s most significant challenges and the short and long-term solutions the team implemented: the ability to ramp labor quickly, access to critical components, and filling & distribution capacity.



LESSONS LEARNED ABOUT MANUFACTURING DURING A PANDEMIC

- Strengthen health and safety protocols to mitigate lost-time due to illness and keep experienced workers on the job.
- Cross-train employees on needed skills so they can pivot to different roles.
- Come up with creative sourcing solutions. Just-in-time delivery and a global supply chain means that a disruption in production of a critical component in one part of the world has downstream effects on product availability.
- Align expectations with the largest customers to facilitate faster response on most critical items. Prioritize customers among healthcare, first responders, military, and grocery facilities.
- Forward deploy inventory and truckload fulfillment to immediately increase product availability in the market while production increases.
- Provide guidance for how customers will be served in times of supply scarcity and what support will be required from them to maximize product availability.

Tabletop Discussion #2: Industrial Base

The skyrocketing demand for medical products during the COVID-19 pandemic highlighted the need for increased domestic manufacturing. Participants focused on efforts to ensure a strong industrial base going forward for future response needs. Key takeaways include:

- Need to target where investment could be made.
- Government subsidizes certain areas to support scale in existing facilities.
- Government may need to think beyond manufacturing. For example, assistance with transportation bottlenecks so medical products can move quickly.
- Move to longer term contracts and build contracts around holding for excess capacity.
- Companies need to have a justification for building and holding excess capacity when we are not in a pandemic.
- Understanding raw material dependency. Are there opportunities to have those nearshored?
- Categorize based on emergency.
- Promote ASPR's IBX Connect to small businesses and independent distributors.
- Develop a vetting program for trusted suppliers. During COVID-19 there were a lot of new players, but they were not part of traditional healthcare distributor channels.

SESSION #3

Federal Partners: What Is Keeping You Up At Night Regarding Supply Chain Resilience?

The closing panel of federal partners discussed what is still on their minds regarding supply chain resilience. This discussion was intended to be an interactive sharing of supply chain topics that could provide opportunities for future collaboration.

Specifically, the panel discussed the desire to continue forthcoming and honest conversations with supply chain leaders. Forums such as HIDA's Preparedness Summit provide the opportunity for this type of dialogue and allows for relationships to be developed and maintained.

The trust built between the public and private sector partners during the COVID-19 response was also highlighted. It is important to carry forward so future leaders have a mechanism for learning and innovating for future responses.

The desire going forward is to build on the successful public/private partnership to tackle additional issues important to supply chain resiliency such as:

- Insight into raw material dependency
- Sharing earlier information on potential disruptions and product shortages
- Transportation and logistics monitoring



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