



HHS Can Help Strengthen Medical Supply Chain

By Matthew J. Rowan -- June 08, 2021

With the urgent need to apply lessons learned from the COVID-19 pandemic, today's hearing to consider Dawn O'Connell to be Assistant Secretary of Health and Human Services for Preparedness and Response (ASPR) may be one of the most important Subcabinet confirmations in modern times.

The United States needs an elastic, resilient healthcare supply chain to better prepare for future public health emergencies. ASPR will play a leading role in ensuring the strength of this critical infrastructure.

Senators today should focus on three initiatives Ms. O'Connell could prioritize to meet that need: promoting diversified sourcing of medical supplies; partnering with industry to leverage expertise and infrastructure; and strengthening the Strategic National Stockpile.

A vital element to fortifying our supply chain is increasing the domestic manufacture and diversified sourcing of medical supplies. China, alone, produced half of the world's surgical masks prior to COVID. When the pandemic hit, the combination of spiking global demand and shipping delays created an enormous shortage in the U.S. of masks and other PPE.

We must do better to leverage domestic, near and global product sources. As ASPR, Ms. O'Connell can play a key role ensuring we do. If confirmed, Ms. O'Connell should prioritize government support for companies with experience in healthcare to on-shore production. The ASPR should also ensure government incentives and commercial market investments complement and reinforce each other, and use federal purchases to provide a consistent demand signal to the commercial market.

The full medical supply distribution industry stands ready to help in this effort. Robust public-private partnerships were prioritized in pandemic preparedness legislation passed in 2019. They are essential to ASPR's ability to prepare for and respond to the full spectrum of public health emergencies.

Distributors are healthcare's logistics experts. They deliver essential medical supplies from more than 500 distributor warehouses to over 500,000 sites of care including hospitals, to nursing homes, doctor offices, and other providers. As trusted partners, distributors offer government proven infrastructure and capabilities to pre-position critical inventories and prevent the supply chain from being overrun in a pandemic.

The Strategic National Stockpile (SNS) is a vital component within that system. Throughout the pandemic, the SNS has evolved from warehousing pharmaceuticals, PPE and other medical supplies to what experts refer to as a "network of supply chains" that can enable better access to critical necessities. With the right leadership and support, that progress can heighten our preparedness for crises.

The Biden Administration should enhance the SNS by improving procurement, working with Congress to increase funding and clarifying SNS's role in pandemic responses. Congress laid the groundwork for this effort when it passed the Pandemic and All-Hazards Preparedness and Innovation Act (PAHPAI) in 2019, and the Senate should press Ms. O'Connell to work on fully implementing it if confirmed.

Multiple states are now building their own stockpiling requirements. If done without a plan, these obligations could actually drive up costs for healthcare providers and increase supply shortages. ASPR should monitor the quantity of products on the back shelves of warehouses rather than on the front lines of providers. The Senate should urge ASPR to coordinate with states to ensure stockpiling requirements are sound and harmonized with Federal policy.

Finally, if confirmed as Assistant Secretary, Ms. O'Connell will need more than commitment and leadership to better prepare our country: she'll need money. Appropriators need to provide the ASPR with the necessary resources to strengthen public and private partnerships before, during, and after public health emergencies. Senators should commit to O'Connell that she would have their support for the necessary appropriations.

We have learned some hard lessons under COVID-19 about the state of our country's national health security, but today's hearing represents an opportunity to look ahead to a better prepared future. With the right focus today, we can begin to accelerate the work to ensure the U.S. has the elastic, resilient healthcare supply chain we need to be ready for the next public health emergency.

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