

# FIELDING FOCUS

*A UCLA FIELDING SCHOOL OF PUBLIC HEALTH WEBINAR SERIES*

**Public Health in a Pandemic: COVID-19 & Health Care Management**

April 28, 5:00 PM PDT — 6:00 PM PDT [ph.ucla.edu/fieldingfocusHCM](https://ph.ucla.edu/fieldingfocusHCM)

**UCLA** Fielding  
School of Public Health

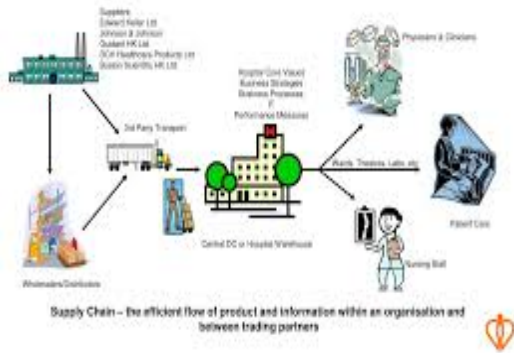
# Health Sector Supply Chain in The Era of COVID-19

## “A Precarious SC With More Problems in Store”

### Resource Dependency

#### Topic 1 - The Hospital Supply Chain

##### Typical Stakeholders in the Hospital Supply Chain



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### Tragedy of the Commons



HEALTH SECTOR SUPPLY CHAIN  
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## A Perfect Storm

- Provider Organizations
  - Mergers & Acquisitions – 1.5M to 900K Beds
  - Focus on Cost, Lean/JIT, Low Unit of Measure
  - Move to Outpatient settings
  - Supply chain seen as a revenue center
  - Community benefit not equal to public health benefit
  - Outsource risk to GPOs and Distributors – Sole Sourcing
- Suppliers
  - Outsource of components if not full products
    - Lengthened the supply chain & Response Time
  - Lack of knowledge of Risk related to Tier 1, 2 & 3 suppliers
  - Failure to understanding their suppliers' risks
  - Sole/single sourcing





## A Perfect Storm

- SC Purchasing Intermediaries – Outsourcing Risk
  - GPOs > standardization, cost reduction, supply base reduction
    - Engages is global strategic sourcing
  - Distributors
    - Meet customer demands for lower total delivered costs
    - Respond to JIT & Engages in global strategic sourcing
- Regulation impacting products & human resources
  - Scope of practice laws, accreditation, professional societies
- Separation of Public Health from “Everyday Health”

## Going Forward - Down the Road

- Manage Dependency
  - ✓ Supplier/Small Business Failure
  - ✓ Incentives to collaborate
  - ✓ Reshoring of manufacturing/supplies
- Governance
  - ✓ Federal vs. Regional vs. Local
  - ✓ Finance & manage safety stock
  - ✓ National Stockpile (7-8B)
  - ✓ Hospital Associations & Public Health
- Education in Supply Chain Mgt.

## Going Forward - Down the Road

- Manage the Commons
  - ✓ Competition with Collaboration
  - ✓ Support the Supply Chain
  - ✓ Reduce Hoarding/Self-interest
  - ✓ > Trust > Transparency
  - ✓ Learn from other industries

## If We Don't React Now? Supply Chain Shortages Will Continue Long After COVID-19



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<https://www.fastcompany.com/90490010/if-we-dont-act-now-health-care-supply-shortages-will-continue-long-after-coronavirus>

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