

COVID-19 Supply Chain Lessons Learned: Q&A With Jimmy Johnson

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What Does It Mean?

Having a strong supply chain team can help organizations maneuver supply difficulties during COVID-19. Establishing connections both within the healthcare industry and with manufacturers outside healthcare can assist facilities in procuring essential supplies, including personal protective equipment and testing kits, to protect clinical staff and the patient community. Having frequent discussions with clinical leaders about supply needs, utilizing any emergency inventory that is in place, and looking for alternate products and suppliers through unconventional routes, such as social media, can help inform supply sourcing and allocation decisions and reduce financial burden. Increased focus on disaster preparedness planning, including maintaining an emergency inventory and following regulatory agency guidelines, can help organizations prepare for and manage such disasters in the future.

Due to COVID-19, hospitals across the United States are facing challenges including supply disruption, counterfeit PPE supplies that do not meet OSHA or NIOSH standards, and difficulty in stocking the right inventory to protect clinical teams. To understand how hospitals can improve sourcing and disaster preparedness planning in the future, HBI recently spoke with Jimmy Johnson, director of supply chain management at Johns Hopkins Medicine's Howard County General Hospital, about supply chain lessons learned from COVID-19.



What measures has Howard County General Hospital undertaken to ensure adequate supplies of COVID-19 testing kits and PPE?

Johnson: A robust supply chain team that is well connected with the medical community and non-healthcare manufacturers is key to ensure adequate supplies for COVID-19 care. We utilized our established connections to procure hand sanitizers from Sagamore Spirit—a liquor manufacturer in Maryland—as they turned their operations around to make hand sanitizers. The U.S. procures about 70% of clinical products from China and India. So, when a global pandemic like COVID-19 happens, hospitals should have connections with non-healthcare manufacturing companies within the U.S. to prevent supply disruption.

At Howard County General Hospital, we've always kept a disaster inventory, as diseases including swine flu, Ebola, and others have come up in the past. We go through disaster planning and run a drill every year to be prepared for any type of disaster. Although for COVID-19 our supplies were initially short, we were able to prevent supply disruption due to industry connections, disaster planning, ability to source alternate products and vendors, and staff education.

Q

How often do you collaborate with clinical leadership to procure alternate products and standardize clinical processes for COVID-19 care?

Johnson: The supply chain team interacts with clinical leadership on a daily basis to procure alternate supplies and decide the type of surgeries that'll be performed during this time. For instance, to protect our COVID-19 care staff we were able to procure PAPR (powered air-purifying respirator) masks—a self-contained breathing apparatus, often used by firemen—by frequently interacting with our chief medical officer. Also, Johns Hopkins Medicine is operating a central command center located at the main facility in collaboration with clinical leaders to monitor supplies and standardize PPE usage across its affiliates. For example, to save PPE supplies we have established guidelines across affiliates regarding using PAPR and N95 masks for face-to-face patient interactions versus surgical or cloth masks.

Q

How is COVID-19 affecting the broader trend toward vendor consolidation?

Johnson: Vendor consolidation depends on several factors including price, meeting the quality standards established by OSHA and MOSH (Maryland Occupational Safety and Health), and vendor service. Currently, we are not looking to consolidate our vendor relationships. The aim is to protect our clinical staff, patients, and provide service, so that we can treat our community. Hospitals should continue to interact with their large and small vendors, as suppliers can support facilities to procure bulk or one-off products during this critical time.

During COVID-19, LinkedIn—a social professional network—is driving a lot of purchase requests. Because I have a supply chain director profile on LinkedIn, several small and local suppliers contacted me to sell products. In fact, I forwarded some of the product quotes that I received from LinkedIn to our corporate purchasing offices and we've bought products from these suppliers. Purchasing supplies through alternate routes can change the dynamic from big suppliers to small suppliers and can be an opportunity for hospitals to reduce spend, if smaller suppliers are charging less compared to their regular, big suppliers.

Q

How will COVID-19 change inventory management models in the short term?

Johnson: Changing inventory management models will depend on each individual organization's clinical data regarding number of admitted patients, specific illnesses, and actual par levels. But I can say that hospitals will now keep more PPE in stock, including N95 or PAPR masks, surgical masks, and isolation gowns as a way of protecting their staff.

Keeping inventory on hand may incur additional costs for hospitals, but it's part of the preparation for any disaster management. For instance, you want your inventories at a turn rate of 25, but you're only mustering 18 turns a year due to some of the expensive supplies that you have to keep on hand because of the unknown. The unknown can be a major accident, clinical disaster, or a global pandemic. Supply chain teams should also have a disaster management plan that includes planning shipping, delivery, and staff capabilities during critical times.

Q

As hospitals reschedule elective surgeries, do you foresee an uptick in purchasing for particular implants? How can supply chain teams prepare?

Johnson: There will be an increase in supply costs and utilization post-COVID-19, but from a purchasing standpoint, I think it will be normal for implants—goods in, goods out. For the clinical side, scheduling elective surgeries is likely to expand from five days to six or seven days a week to have procedures that have been backed up. If the surgeries are pushed to seven days a week, supply chain teams would have to evaluate utilization from five days to seven days. Increasing par levels on minimums and maximums can help supply chain teams gauge the number of implants required for elective surgeries and procure those quantities in advance.

Supply chain can also prepare by communicating with vendors and looking at a schedule of proposed cases in the near future. For example, if a surgeon has backed up 60 knee surgery cases for a month, the supply chain team must communicate the information to vendors to ensure implants are in stock and delivered in time. I do not foresee shortages of implants post-COVID-19, as most of them are manufactured in the U.S.

Q | How will this pandemic impact disaster preparedness planning for organizations?

Johnson: Most of the organizations undergo readiness programs established by The Joint Commission, which lays out various standards and resources for hospitals to get accredited. Post-COVID-19, The Joint Commission or Centers for Medicare & Medicaid Services may begin looking more closely at organizations' disaster plans, as an important step of hospital preparedness. My advice for hospitals modifying disaster management plans would be to involve supply chain folks in the planning process and ensure sufficient PPE supplies are available to protect your staff.

From a supply chain standpoint, key lessons for hospitals to learn from COVID-19 would be to improve procurement strategies, having a disaster inventory in place, and negotiating better vendor contracts. When a pandemic like COVID-19 hits the community, organizations can prepare, plan, and execute disaster management strategies by setting aside budget to procure supplies and utilize social media networks like LinkedIn to have supplier options.

Have a question about this topic or another altogether? HBI's research team is on the case. Send a message to contact@hbinsights.com with your questions!

About the Analyst

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Vakhulaa is a research analyst at HBI specializing in healthcare supply chain. With an education in biotechnology, she has done research on varied topics like inventory management, pricing strategies, value analysis, medical logistics, and healthcare technology innovation. Vakhulaa is keen on helping supply chain and C-suite leaders adopt best practices for improving supply chain operations.