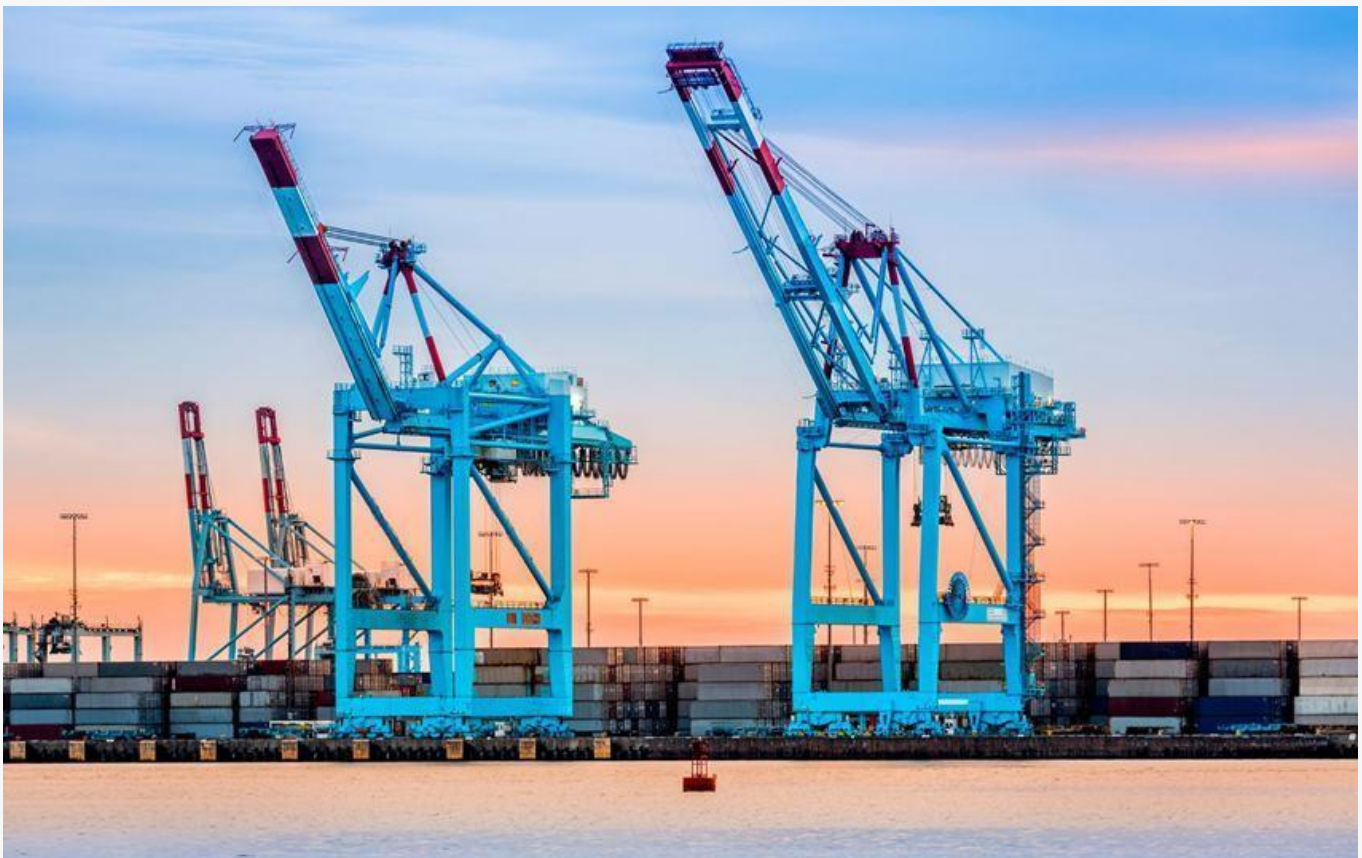


HEALTHCARE SUPPLY CHAIN DISRUPTION UPDATES

June 2024



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Supply Chain Disruption Updates

Note: This is an educational document. It is not for commercial purposes. This represents a synthesis of publicly available information and not Premier's proprietary data or information. Premier compiled this report over the month of June 2024.

The end-to-end global supply chain continues to experience ongoing disruptions, workforce challenges and inflationary pressures, which are affecting multiple economies and industries, including the American healthcare industry. At Premier, we remain committed to leading our members and suppliers in finding innovative ways to solve for these challenges and enable healthcare providers access to the vital supplies necessary for high quality, cost-effective patient care.

Previous editions of Premier's monthly Disruptions Updates can be found online on the [Disaster Preparedness and Response page](#) within the PINC AI™ community. The following information provides the latest market updates, insights, resources and guidance for your supply chain teams as we continue to navigate global supply chain disruptions.

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Premier Submits Comments on Proposed Tariff Increases

While direct impacts of the COVID-19 pandemic have subsided, [U.S. healthcare supply chains continue to face an unprecedented number of complex and compounding challenges](#) rarely seen throughout history. For example, economic challenges spurred by ongoing inflation, geopolitical tensions, natural disasters and more present barriers to the U.S. realizing its goal of true supply chain resiliency and greater independence from countries such as China.

While Premier generally supports the reinstatement of tariffs as a mechanism to spur domestic ingenuity and supply chain resiliency, Premier has significant concerns that the drastic increase in the percentage of tariffs coupled with an aggressive timeline for implementation is not feasible and will result in unintended consequences that further fracture the U.S. healthcare supply chain and potentially raise healthcare costs in the short-term.

Premier also polled supply chain leaders from our member organizations to better understand the potential implications of the new tariffs on healthcare operations and the downstream impact to patient care. Members reported the greatest concern on needles and syringes followed by gloves – with members preferring a gradual "glidepath" approach to implementation of the tariff increases for both categories. With the implementation timeline set for August 1, 2024, for most categories, members noted six to 12 months as a reasonable delay period for organizations to adjust to the tariff changes. Members also overwhelmingly said the definition of PPE should be expanded to include additional products beyond masks and respirators.

Premier's Assessment

Increased tariffs on medical products coming from China may lead to supply chain and cost pressures in the short term. However, Premier's GPO contract language typically helps protect our members from price adjustments in connection with taxes on the supplier, which may lessen the immediate cost of goods impact for purchasers.

Premier submitted comments on the proposed tariff increases to help ensure that overarching goals are met while minimizing impact to the U.S. healthcare supply chain and the downstream impact to patient care. At the same time, we believe that true supply chain resiliency requires a holistic approach and larger strategy to address the implications of trade policy on vital medical products.

Therefore, Premier requested clarification and offered refinements to the United States Trade Representative (USTR's) proposal to ensure that the overarching goals are met while minimizing impact to the U.S. healthcare supply chain and the downstream impact to patient care. Specifically, Premier urges the USTR to:

- Clarify that the needles and syringes category is only applicable to plastic needles and syringes as indicated in the original [White House announcement](#);
- Delay the implementation timeline for needles and syringes and personal protective equipment (PPE) by at least six months to provide sufficient time for manufacturers and healthcare providers to prepare and adjust;
- Gradually increase tariff percentages annually over a five-year period to provide a glidepath for manufacturers to continue to invest in domestic and near-shore manufacturing;
- Broaden the definition of PPE beyond face masks to also include other PPE items that have significant domestic and near-shore manufacturing capabilities.

Premier's Impact Analysis on Tariff Increases to the U.S. Healthcare Supply Chain and Patient Care

Premier believes actionable, data-driven intelligence is key to delivering high-quality and cost-effective healthcare. In response to the Administration's tariff notice, Premier leveraged our robust data as well as ongoing communication with our members and suppliers to understand the anticipated impact on the U.S. healthcare supply chain and patient care and to better inform our comments.

- **PPE** – For the limited PPE categories included, Premier believes the impact will likely be minimal as the U.S. and nearshore markets for respirators and face masks are robust. In addition, in the FY 2023 IPPS and CY 2023 OPPS final rules, the Centers for Medicare and Medicaid Services (CMS) finalized a [policy](#) for differential reimbursement for domestically manufactured NIOSH-approved N95 surgical masks. To be eligible for differential reimbursement, the masks must be wholly made in the U.S. based on the Berry Amendment (10 U.S.C. §4862), and the respirator and all of its components must be grown, reprocessed, reused or produced in the U.S. This policy is fully implemented now and several hospitals throughout the country are taking advantage of it to help offset higher costs associated with purchasing domestic N95 masks versus globally sourced masks. The policy is also supporting domestic manufacturing, supply chain resiliency and preparedness for the next public health crisis.
- **Needles and syringes** – The impact on the needles and syringes category will largely depend on how broadly USTR defines the category. If defined as plastic needles and syringes, some short-term impacts may be seen, but significant impacts have likely been mitigated with recent [announcements](#) from the Food and Drug Administration (FDA) warning healthcare providers to move away from Chinese-made plastic needles and syringes due to safety and quality concerns. If the category is defined more broadly to include additional needles and syringes, such as glass needles and syringes, then the impact will likely be much greater as there is limited domestic or nearshore manufacturers of these products.
- **Gloves** – The immediate impact on gloves is partially mitigated by the delay in this specific tariff until 2026. While surgical gloves are likely to have minimal impact due to geographical diversity in manufacturing in Malaysia and the U.S., exam gloves continue to be manufactured primarily in China. To minimize impact to the exam glove market, it will be critical for exam glove manufacturers to immediately begin to diversify their manufacturing to countries such as Malaysia, Mexico and the U.S. to meet the 2026 timelines.
- **Semiconductors** – While semiconductors are not unique to healthcare, they are a key component in several healthcare devices and play a critical role in the machinery that manufactures healthcare products. Given that Taiwan is a primary manufacturer of semiconductors, our analysis does demonstrate some concerns, especially as the U.S. continues to ramp up domestic manufacturing of semiconductors in response to the CHIPS Act. Additionally, multiple industries may potentially be competing for limited semiconductor supply in the future – necessitating the need to prioritize certain industries, such as healthcare, over others.
- **Steel** – With steel serving as a primary component in medical devices, healthcare furniture (e.g. hospital beds), and surgical equipment, there is concern that tariffs may impact the healthcare supply chain as upwards of [53% of global steel supply](#) is derived from China. While suppliers are beginning to consider opportunities to diversify their sources of steel and with countries such as India, Japan, the U.S., and Korea, doing so in the next few months will prove to be challenging and may result in downstream impacts to the healthcare supply chain.

Premier's Assessment

In late 2023, unexpected diversions in the Red Sea shipping routes significantly disrupted global shipping schedules and increased costs. These disruptions have continued into 2024, affecting trade lanes and impacting the cost and reliability of shipping.

Healthcare supply chains will need to continue adapting to the prolonged impact of the Red Sea shipping diversions by incorporating robust strategic planning, risk management practices, and monitoring of shipping rates and schedules.

Premier's Action

Premier remains actively engaged with our suppliers to understand their contingency plans and capacity to mitigate disruptions caused by the transportation diversions.

We will continue to provide updates on [PINC AI's™ Disaster Preparedness and Response community](#) as the situation evolves.



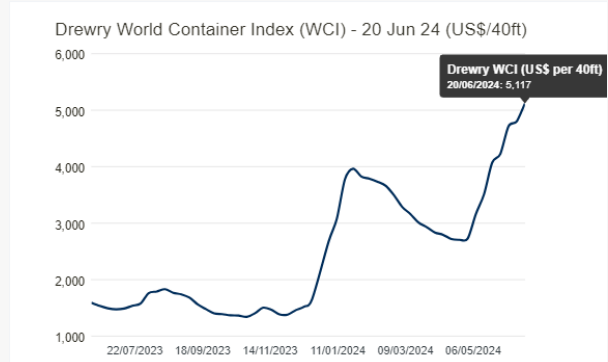
Source : [gCaptain](#)

The New Reality for Shipping After 2024's Red Sea Diversions

The unexpected Red Sea shipping route diversions in late 2023 caused major disruptions that have had a lasting impact on shipping costs and schedules for trade lanes. Despite initial expectations that the situation would normalize as supply and demand rebalanced, shipping rates have remained stubbornly high into 2024.

The global ocean freight industry is being rocked by a perfect storm of disruptions. As vessels divert around the conflict-ridden Red Sea, major shipping routes are becoming increasingly congested. This bottleneck has converged with an unusually early peak shipping season, causing freight rates to skyrocket.

The worsening conditions on the high seas could drive shippers to seek relief through air cargo channels.



Several key factors appear to be contributing to these enduringly high shipping rates:

- Demand remains relatively robust, and the overall 2024 global trade growth forecast remains moderate.
- Fewer blank sailings (cancelled voyages) are occurring now compared to before the diversions as carriers have adjusted capacity for the longer sailing routes around the Cape of Good Hope. Blank sailings dropped from 30% to 12.4% from March-May 2024.
- We're seeing major schedule reliability issues and transit time delays stemming from congestion at ports, weather impacts, and timing of berthing slots.

For healthcare supply chains, this means having to plan for continued logistics disruptions, potential longer lead times, and high shipping costs for Asia-originating products – especially during seasonal demand peaks.

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Premier's Assessment

Supply chain disruptions became a significant issue as the economy started to recover from the pandemic recession, playing a major role in driving high inflation. Consequently, understanding and measuring these disruptions are crucial for comprehending the inflationary pressures within the economy.

The [New York Fed](#) began publishing the regional SAI data monthly starting in May 2022, providing a timely indicator of supply chain conditions that can help monitor potential inflationary pressures.

The survey findings indicate that numerous firms are raising prices due to supply chain constraints, a concerning development at a time when inflation persists above the Federal Reserve's target level, exacerbated by the lack of continued improvement in supply availability.

Premier's Action

Premier leverages several reports and indexes to monitor the state of supply chain. The SAI will help equip Premier teams and GPO members with information that can be used to proactively drive decision making.

The stalled progress in supply chain recovery, as indicated by the SAI hovering around zero, suggests that supply constraints may persist going into the second half of 2024.

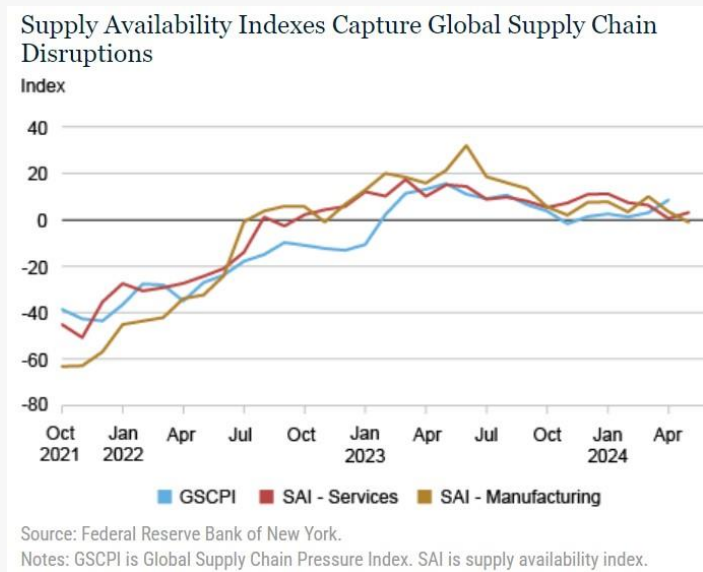
As a GPO, we are committed to closely tracking these supply chain metrics and providing our members with up-to-date analysis and recommendations.

Supply Availability Index Reveals Stalled Progress in Supply Chain Recovery

The [New York Fed](#) has created a new Supply Availability Index (SAI) to measure supply chain disruptions based on surveys of businesses in the region. The SAI is calculated from responses to questions asking firms if supply availability improved, remained unchanged, or worsened over the prior month compared to the month before that.

After remaining negative for an extended period during the COVID-19 pandemic supply chain crisis, the data turned positive in August 2022, indicating improving supply conditions.

However, **over the past couple of months, improvement has stalled with the SAIs hovering around zero**, suggesting limited further progress in resolving supply constraints. This lack of improvement is concerning given supplemental survey evidence indicating that **up to half of regional businesses still face supply disruptions, with many raising prices as a result.**



Around a third of service firms and half of manufacturers still report difficulties obtaining needed supplies as of May 2024. While an improvement from October 2021 when nearly all firms faced supply disruptions, the lack of additional progress may draw concern. The recent supply availability could signal potential for disruptions to worsen, requiring contingency planning by medical suppliers and providers.

Premier's Assessment

With the contract expiring in [under four months](#), the International Longshoremen's Association (ILA) has little faith remaining issues will be resolved in time. They accused management of historically "kicking the can down the road" and believe that has caught up to them now.

The ILA is the largest union of maritime workers in North America, representing 85,000 longshore workers along the East Coast, Gulf Coast, Puerto Rico, Great Lakes, and major U.S. rivers.

The ILA is dedicated to ensuring fair labor practices and protecting the rights and jobs of its members.

Premier's Action

Premier will continue to closely monitor the contract negotiations and share any supplier contingency plans to ensure the continued flow of healthcare supplies and equipment.

We collaborate with our logistical partners to diversify supply chains and proactively communicate with suppliers and manufacturers in order mitigate the potential impact on patient care.

To view a list of active product and supply disruptions Premier is tracking, [visit us on PINC AI™](#).

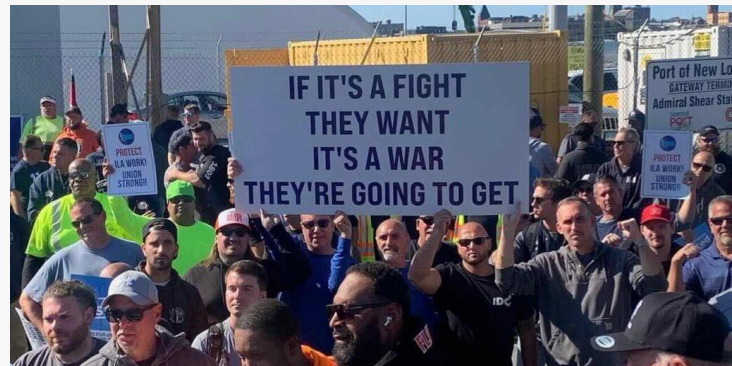
ILA Suspends Contract Negotiations with USMX

[The International Longshoremen's Association](#) (ILA) has suspended contract negotiation talks with [United States Maritime Alliance](#) (USMX) that were scheduled for June 11, 2024. This decision comes as the two sides were negotiating local agreements under the existing coast-wide Master Contract set to expire on September 30, 2024.

The primary issue is the ILA's discovery that [APM Terminals](#) and [Maersk Line](#), both members of USMX, are utilizing automated "Auto Gate" systems to process trucks without ILA labor at ports like Mobile, Alabama and potentially others. The ILA views this as a violation of the current Master Contract.

ILA President Harold J. Daggett, the chief negotiator, [stated](#) there is no point negotiating a new contract when USMX members like APM and Maersk continue violating the existing agreement by introducing automation capabilities.

Beyond the Auto Gate issue, the ILA is still awaiting the results of an audit on jobs created from new technology, which has been pending for almost two contract periods. The union has also raised concerns about APM and Maersk's IT personnel in North Carolina potentially encroaching on ILA jurisdiction.



Premier's Assessment

Overall, the information reviewed from the [U.S. Bureau of Labor Statistics](#) and [Institute for Supply Management](#) imply that healthcare costs are contributing significantly to overall inflationary pressures in the economy.

The rising costs of medical care, hospital services, and prescription drugs could strain budgets and potentially impact overall consumer spending patterns.

Additionally, these rising healthcare costs could put upward pressure on wages as workers seek higher compensation to maintain their purchasing power.

Premier's Action

Premier proactively engages with our supplier partners to negotiate contracts and secure favorable pricing before costs escalate further amidst persistent inflationary pressures.

Our GPO will remain vigilant in tracking monthly inflation data and provide ongoing guidance for our members through this challenging economic landscape.

The customers' [Backlog of Orders Index](#) registered at 42.4 percent, indicating a decline in order backlogs. The [Supplier Deliveries Index](#) registered at 48.9 percent. A reading above 50 percent for this index indicates slower deliveries, which is typical as economic conditions improve and customer demand increases.

Inflation Holds Steady at 3.3 Percent Amid Rising Healthcare Costs and Manufacturing Slowdowns

May Inflation Rate Remains at 3.3 Percent

The [annual](#) U.S. inflation rate remained steady at 3.3 percent in May. Energy costs decreased by 2 percent during the month, providing some relief for consumers. However, the food index rose slightly by 0.1 percent.

The [index for all items excluding food and energy](#) rose 0.2 percent in May, after a 0.3 percent increase in April. Over the last 12 months ending in March, the all items less food and energy index rose 3.4 percent, indicating that underlying inflationary pressures persist in the economy.

Regarding healthcare costs, [the index for hospital services](#) increased 0.5 percent. [The medical care index](#) rose 0.5 percent in May, following a 0.4 percent rise in April. This could be driven by factors such as increased labor costs, higher equipment and supply prices and/or growing demand for healthcare services

Additionally, the [prescription drugs index](#) saw a notable 2.1 percent increase, which could be attributed to factors such as rising research and development costs and/or supply chain disruptions.

May Manufacturing PMI Decreased to 48.7 Percent

The [ISM Manufacturing PMI](#) decreased to 48.7 percent in May from 49.2 percent in April. The overall economy continued to contract for the second consecutive month and the 18th time in the last 19 months. A Manufacturing PMI above 42.5%, over a period of time, generally indicates an expansion of the overall economy.

The [New Orders Index](#) remained in contraction at 45.4 percent, suggesting weaker domestic demand for manufactured products. However, the [New Export Orders Index](#) continued in expansion at 50.6 percent. This implies that demand from international markets for U.S. manufactured goods is still growing.

Premier's Assessment

This ambitious project represents a major investment by [SCHOTT Pharma](#) in expanding its U.S. production capabilities and supply chain resilience.

By localizing manufacturing within the country, the company aims to significantly reduce lead times, slash costly transportation expenses, and safeguard against potential future shortages of critical drug products – thereby ensuring enhanced pandemic preparedness.



SCHOTT
PHARMA

Premier's Action

Premier's belief is that a successful supply chain strategy includes domestic and diverse manufacturing. Our philosophy is not to move all overseas manufacturing onshore or nearshore, but to have appropriate geographic diversity.

By strategically expanding across various regions and industries, the U.S. can build a protective shield to safeguarding the continuity and integrity of health systems in the face of global uncertainties.

New SCHOTT Pharma Facility Aims to Boost U.S. Drug Delivery

[SCHOTT Pharma](#), a global company focused on pharmaceutical drug containment solutions and delivery systems, has announced plans to build a massive \$371 million manufacturing facility in Wilson, North Carolina. This new state-of-the-art facility will be the first of its kind in the United States, focused on producing pre-fillable polymer syringes designed for the deep-cold storage and transportation of [revolutionary mRNA medications and vaccines](#). Additionally, it will have the capability to manufacture glass pre-fillable syringes for other therapies like [GLP-1 treatments](#) used to manage diseases such as diabetes and obesity.

The new facility is projected to **create 400+ high-quality jobs** in the Wilson region and enable SCHOTT Pharma to **triple its overall contribution of glass and polymer pre-fillable syringes to the vast U.S. pharmaceutical market by 2030**. This domestic supply can provide a much-needed boost amid ongoing global supply chain bottlenecks and trade tensions that have disrupted traditional supply routes and led to proposed tariffs.

SCHOTT Pharma's decision to locate this facility in Wilson was driven by factors like the region's skilled local workforce, proximity to the research hub of Research Triangle Park, and North Carolina's supportive business environment. The company currently supplies its containers and delivery systems to over 1,800 customers worldwide, including all the top 30 global pharmaceutical giants who have designated SCHOTT as a critical supplier.

By bringing this polymer syringe production capability to American soil, SCHOTT Pharma is positioning itself to efficiently help meet U.S. demand for advanced drug delivery solutions. This move is expected to provide relief to supply strains that have hampered the broader industry in recent years.

With groundbreaking planned for late 2024 **and full operations projected to commence in 2027**, the new Wilson facility represents a strategic investment by SCHOTT Pharma in bolstering the domestic U.S. pharmaceutical supply chain. It can enhance the company's ability to rapidly supply U.S. markets with critical drug containment and delivery products while reducing overreliance on overseas manufacturing and minimizing vulnerability to international supply shocks.

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Premier Suggests Refinements to Senate Finance Committee Drug Shortage Discussion

Premier submitted [comments](#) to the Senate Finance Committee, applauding the lawmakers' bipartisan work to seek a path forward on addressing the issue of drug shortages in the Medicare program and for recognizing the vital role that group purchasing organizations (GPOs) play in vetting quality manufacturers and combatting shortages.

Premier's response to the [draft legislation](#) focuses on opportunities to further refine the proposal to best serve the needs of patients. Among other comments, Premier urges the committee to consider amendments to the draft legislation that:

- Ensures there are a minimum of three Program Participants across various business sectors to ensure viable competition in the marketplace;
- Creates a payment methodology for Program Participants that is a scalable flat fee based on the services provided;
- Requires Program Participants to maintain an advisory committee comprised of individuals with clinical and/or supply chain expertise;
- Studies the downstream impact of removing 340B discount eligibility on the ability of a covered entity to provide care to underserved populations;
- Prohibits Payment-Eligible Providers from seeking or accepting additional rebates, discounts, or other price concessions from Program Participants;
- Refines the buffer inventory requirements to be more cohesive;
- Considers outcomes measures that tie back to patient outcomes; and
- Requires Applicable Generic Manufacturers to submit transparent quality and manufacturing data.

Premier has been a leader in mitigating drug shortages for over twenty years and remains committed to eliminating them – and we appreciate the opportunity to submit comments to the Senate Finance Committee Prescription Drug Shortage Discussion Draft.

Premier Pharmacy Releases CY25 Inflation Projection Throughout our Portfolio

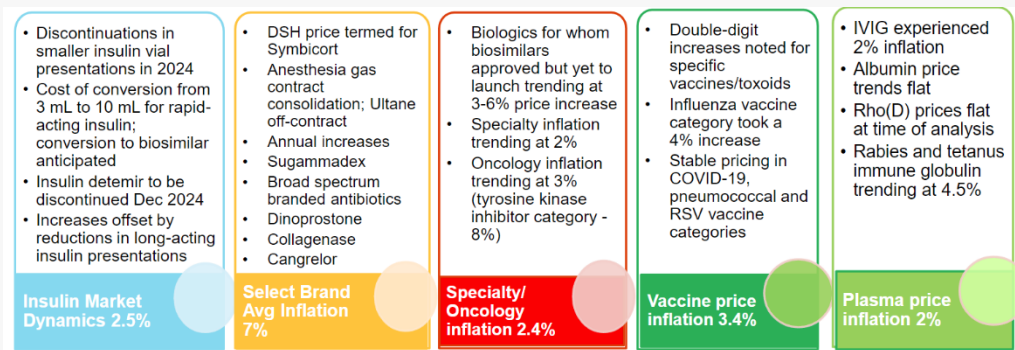
Premier’s Pharmacy team continues to monitor global supply chain developments and provide you with actionable information to mitigate the impact of disruptions. See below, and to view the comprehensive update including additional pharmaceuticals, background information and estimated recovery timelines, visit Premier’s .

[For CY25, Premier forecasts a 2 to 2.5 percent increase in inpatient pharmaceutical prices throughout our portfolio.](#)

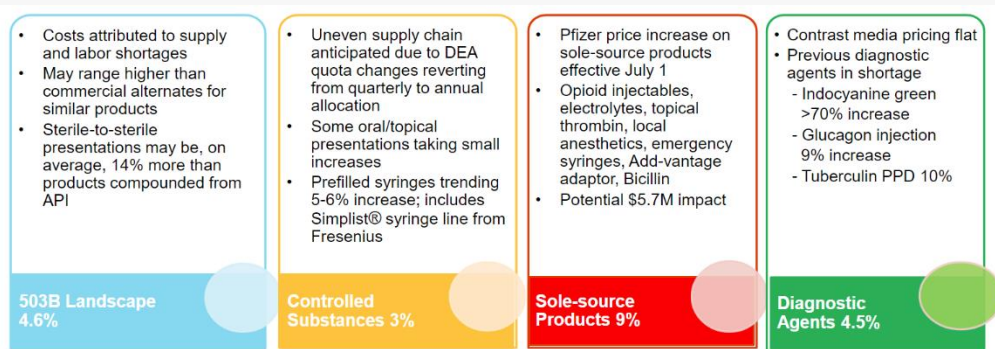
- The overall drug budget impact for acute care hospitals, including estimated changes in mix/volume (range: -1 percent to -1.5 percent) and the impact of newly released agents and increased utilization (range: 3 percent to 3.5 percent), is estimated between 4 percent and 5 percent for the upcoming calendar year.

Premier member pharmacy spend between July and December 2023, comprising contract and non-contract wholesaler purchases and annualized for projected spend based on inflation index.

Trends & Insights: Increase



Drug Shortages: Price Increase Trends



For additional insights to trends in pricing for key therapeutic categories, market dynamics anticipated to usher in savings, and new/anticipated FDA approvals that may influence health-system spend, members are encouraged to review [Premier’s Pharmacy Budget Projection/Inflation Analysis document](#).

Quarterly Food Outlook Inflation Report

To help our members navigate the ever-evolving foodservice marketplace, Premier has developed resources to provide guidance on the overall impact of inflation on food pricing trends. See below and review Premier's [quarterly market summary](#) on the market factors influencing current food pricing.

Q2 2024 Food Inflation Outlook:

- Dairy markets** have experienced a surge in prices recently, attributable to a diminished milking herd, historically low replacement heifer inventories, and ongoing uncertainty surrounding milk availability. Further bolstering prices is the ongoing development of highly pathogenic avian influenza in dairy herds, impacting 51 operations across 9 states to date.
 - While higher prices may eventually lead to a decline in dairy demand, until dairy product output and milk availability become more visible in the latter half of the year, prices are likely to remain elevated compared to the previous year.
- Beef prices** will begin to moderate going into the third quarter as retailers continue to run features at lower rates, Domestic beef availability will also benefit from the U.S. continuing to be a net importer of product as global availability improves.
- Pork prices** will moderate in coming months as healthy supplies of market hogs can lead to higher year-over-year production. moderating demand from other channels will keep prices restrained.
- Shortening and oil** prices continue to trade near the lower end of the 2024 trading range, but we have now entered the seasonal domestic soybean oil stocks decline stage that occurs between April and early November after an extensive break since the middle of 2023 in both futures and basis. Overall soybean oil demand for both food and fuel is expected to remain steady through the fall and further downside risk should be limited from current price levels.
- Despite the upcoming domestic winter wheat harvest, **flour inflation** is on the rise, as dry weather in Russia has sharply reduced its wheat production estimates in recent weeks, prompting a solid rally in wheat futures. While U.S. crops still look promising, any additional issues in the Black Sea region will maintain a floor under the markets going forward, as Russia is the world's largest exporter. The ongoing Russia-Ukraine war continues to pose challenges as well.
- Domestic beet sugar prices** have declined in the past month, retreating from historically elevated levels due to softening U.S. demand. The drought in Mexico over the past year has made the U.S. more reliant on costlier high-tier cane imports, which will keep a minimum level for all sugar prices as domestic cane refining capacity remains tight. Although the U.S. beet crop has had a strong start, once vendors reach the 70 to 75 percent mark for new crop sales, any further discounts for both old and new crops will abruptly cease. Additionally, the U.S. is expected to experience record hurricane activity this year between June and November, posing a constant threat to crop production in Texas, Louisiana and Florida.

Register for Premier's Upcoming Supplier-Led VA Talk Series: Infusion Pumps

As we continue to focus on solutions within our healthcare industry, Premier's subject matter experts and contracted suppliers are hosting a series of value analysis talks to focus on infusion pump technology. In each session of the series, suppliers will review their infusion pump portfolio offerings and host a discussion about infusion pump technology.

- Baxter – Friday June 28th, from 2:00pm – 2:45pm EST; [Click here to register](#)
- B.Braun – Friday August 9th, from 2:00pm – 2:45pm EST; [Click here to register](#)
- BD – Friday August 23rd, from 2:00pm – 2:45pm EST; [Click here to register](#)
- Fresenius Kabi – Friday September 13th, from 2:00pm – 2:45pm EST; [Click here to register](#)
- ICU Medical – Friday September 27th, from 2:00pm – 2:45pm EST; [Click here to register](#)

Recap of VA Talk: Enteral Nutrition and Spike Sets

Earlier in June, Premier held a [VA Talk on Enteral Nutrition and Spike Sets](#). Premier's subject matter expert Monica Tennison led the discussion to address supply disruptions, review contracted options, product alternatives or substitutes and host a discussion about Clinical and Enteral Nutrition Resources and the supply chain.

Additional Resources

- [Food and Nutrition Community](#)

Feeding Pumps, Tubes, Sets and Devices

- [Clinical and Enteral Nutrition Resources](#)
- [Cross Reference - Feeding Pumps, Tubes, Sets and Devices](#)
- [Executive Summary - Feeding Pumps, Tubes, Sets and Devices](#)
- [Toolkit - Feeding Pumps, Tubes, Sets and Devices](#)

Enteral Nutrition and Spike Sets

- [Cross Reference - Enteral Nutrition](#)
- [Executive Summary - Enteral Nutrition](#)
- [Toolkit - Enteral Nutrition](#)

To view prior VA Talks, best practices, presentations, FAQ's and materials, visit us on [PINC AI™](#).

Hurricane Preparedness Resources for Health Systems

Between June 1 and November 30, Premier's Disaster Preparedness and Response Team (DPRT) is responsible for monitoring storm conditions in the Atlantic and Pacific Oceans, as well as the Gulf of Mexico. When circumstances warrant, we engage with multiple stakeholders across Premier and with our suppliers to provide members with early identification, consistent and clear communication, and resources to mitigate the impact of a major storm on patient care.

To ensure our members are well-equipped, we have compiled a comprehensive list of hurricane preparedness resources tailored for healthcare providers. To view additional 2024 Atlantic hurricane resources, visit [PINC AI's™ Disaster Preparedness and Response](#) community.

Planning and Preparedness

- [CDC's Healthcare Preparedness Resources for Hurricanes](#): Provides guidance on preparedness planning, facility response, clinical care, and recovery for healthcare facilities.
- [ASPR's Healthcare Facility Hurricane Operational Toolkit](#): Helps healthcare facilities plan for hurricane response and recovery efforts.
- [FEMA's Hurricane Incident Annexes](#): Includes annexes on public health and medical services, and emergency mass care and housing.
- [HHS emPOWER Map](#): Identifies Medicare beneficiaries with electricity-dependent medical and assistive equipment to help protect them during power outages.

Response and Recovery

- [HHS Hospital Preparedness Program \(HPP\)](#): Provides funding and guidance to improve healthcare preparedness and response capabilities.
- [ASPR's Technical Resources, Assistance Center, and Information Exchange \(TRACIE\)](#): Offers resources and technical assistance on healthcare emergency preparedness.
- [FEMA's National Disaster Medical System \(NDMS\)](#): Supports federal partners and state/local authorities in managing public health and medical emergencies.
- [CDC's Environmental Health Resources for Healthcare Providers](#): Guidance on safe water, mold, and other environmental health issues post-hurricane.

Communication and Reporting

- [HHS Healthcare and Public Health Sector-Specific Plan](#): Outlines roles and responsibilities for healthcare and public health partners during emergencies.
- [ASPR's Information Sharing for Situational Awareness](#): Platforms for sharing healthcare situational awareness during emergencies.
- [CDC's Health Alert Network \(HAN\)](#): Disseminates critical health information to public health partners during emergencies.

Premier’s Category Watch List | June Updates

Premier has assembled an internal team that is focused on our Category Watch List. This advisory group pulls together subject matter experts from our clinicians, supply chain experts, portfolio advisors, data teams and our Value Analysis Advisory Committee (VAAC) to surface categories and products within our portfolio that require additional supply chain risk and resiliency measures. Outside of this list, all active product disruptions are listed on our [Disaster Response](#) and [Shortages and Disruptions](#) pages within the PINC AI™ community. Each product disruption document provides the latest information on alternative suppliers, conservation strategies and get-well timelines if known.

The list is assembled based on member feedback and categorized into two phases:

Phase 1 (priority or immediate action) includes products that have limited suppliers in the market, have raw material constraints, offshore manufacturing locations and/or have increased usage throughout the membership.

Phase 2 (watching the market for disruption indicators) includes products that have limited suppliers in the market, potential raw material constraints, have offshore manufacturing locations and have increased usage during the COVID-19 pandemic.

Premier’s Advocacy team shares this Watch List weekly with key government stakeholders – including the White House Supply Chain Disruptions Task Force, FDA and others. With our insights on the market and boots-on-the-groundwork in garnering vital products and supplies, Premier provides guidance on challenges, opportunities and trends – and consistently advocates for providers’ needs.

Below is the current list of top products we are monitoring to help prevent further disruption. All future updates will be posted to the PINC AI™ community page [linked here](#).

Product Watch List – Updates for June, 2024 (Phase 1 Products – Critical need to execute alternate products)

Contract Name	Supplier Attachments	Additional Information
Fetal Monitoring	Fetal Monitoring Attachments	Monitoring back-order trends for members submitting ERP data based on probability scoring
IV Therapy Products - IV Fluids Bag-Based Drug Delivery And TPN Macronutrients	IV Therapy Products - Iv Fluids Bag-Based Drug Delivery And TPN Macronutrients Attachments	Pour bottles challenge through summer, raw materials, transit, labor Baxter is placing additional limits on the ExactaMix valve set and setting the allocation at 65%.
Feeding Pumps Sets Devices And Tubes	Feeding Pumps, Sets, Devices and Tubes Attachments	Monitoring back order trends for members submitting ERP data based on probability scoring
Safety and Standard Hypodermics	Standard Hypodermic Products Attachments	Rolling back orders, allocation, market issues

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Neurosurgical Critical Care Products	Neurosurgical Critical Care Products Attachments	Monitoring back-order trends for members submitting ERP data based on probability scoring
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Product Watch List – (Phase 2 Products – Have alternate products identified and ready to execute)

Contract Name	Supplier Attachments	Additional Information
Intra-Aortic Balloon Catheters and Pumps	Intra-Aortic Balloon Catheters and Pumps Attachments	Monitoring back order trends for members submitting ERP data based on probability scoring
IV Therapy Products - Infusion Devices and Device Dedicated Sets	IV Therapy Products - Infusion Devices and Device Dedicated Sets Attachments	Baxter IV Sets Allocation Notification
ECG Electrodes Cables Lead Wires and Defibrillator Pads	ECG Electrodes Cables Lead Wires and Defibrillator Pads Attachments	Allocation, rolling back orders, unhealthy supply with raw material issue
Catheter Tube Securement and Stabilization Products	Catheter Tube Securement and Stabilization Products Attachments	
General Urological Products	General Urological Product Attachments	Cath Tray W/Urinemeter, rolling back orders on silicone catheters, substitutions available, raw material issues
Suction Canisters, Yankauers and Tubing	Suction Canisters Yankauers and Tubing Attachments	Suction canister liners
Chest Drainage Products	Chest Drainage Attachments	Chest drains - Getinge issue
Patient Prep Clippers and Blades	Patient Prep Clippers and Blades Attachments	Monitoring back order trends for members submitting ERP data based on probability scoring
Skin Integrity: Wound Care	Skin Integrity: Wound Care Attachments	Monitoring back order trends for members submitting ERP data based on probability scoring
Specialty Women's Health Surgical Products	Specialty Women's Health Attachments	Olympus VC-10 : backorder
Dialysis Access Catheters	Dialysis Access Catheters Attachments	Rolling back orders with substitutions available
Hemodynamic Monitoring Products And Accessories	Hemodynamic Monitoring Products Attachments	Quickflash arterial catheter Batch specific
Automated Blood Culture Analyzers Reagents Consumables and Service		Monitoring back order trends for members submitting ERP data based on probability scoring

In Case You Missed It (ICYMI): The Latest from the Premier Newsroom

****COMING SOON: Premier to Release New Supply Chain Resiliency Report at [Breakthroughs](#)**

We look forward to sharing with you Premier's 2024 Supply Chain Resiliency Report – inclusive of actionable recommendations and robust insights from healthcare providers and supplier organizations – to help our industry strengthen supply chains.

Members will be able to download the report in July and can learn more at our Supply Chain thought leadership general session at Breakthroughs at 8 a.m. on Thursday, July 25. Those attending the session will receive a free, early copy of the Guide, so we hope to see many of you there!

Premier's Newsroom is a comprehensive resource hub – highlighting member priorities and providing the proactive, predictive insights and updates you need to stay ahead in healthcare.

See the links below for our latest Newsroom coverage and educational opportunities:

- **[Watch the new video](#) to hear directly from Kaleida Health C-suite and supply chain leaders as they discuss core initiatives and outcomes of their system-wide transformation.**
 - Kaleida Health recognized the opportunity to unlock the value of the supply chain for cost savings, growth and the continued delivery of outstanding patient care.
 - Learn more and get a [behind-the-scenes look](#) at Kaleida Health's transformational success.
- **[Read our blog](#) for three key areas healthcare organizations can prioritize to help improve labor expenses, with a particular focus on overtime management.**
 - In a preview of Premier 2024 Resiliency survey insights, 72 percent of healthcare providers say labor costs are a key challenge carrying over for their organizations from 2023.
 - [Premier provides](#) external benchmarking and internal monitoring capabilities, enhancing a healthcare organization's ability to proactively navigate workforce challenges using data to identify actionable changes.

Don't miss some of our Most-Read Blogs from this past year:

1. [Work Smarter, Not Harder: Advancing the Healthcare Supply Chain with Contract Automation](#)
2. [Propelling Healthcare Innovation: The Crucial Role of Real-World Data for Medical Device Companies](#)
3. [PINC AI™ Solutions: Five Ways They Support Artificial Intelligence in Healthcare](#)
4. [Why Health Systems Need a Medicare Advantage Strategy \(and How to Win\)](#)