



Enhancing Community Health Center Supply Chain Preparedness and Resilience *Collaborative Procurement Playbook*

Introduction and Purpose of Playbook

ARCHER

The **Advancing Resilience in Community Health in Emergency Response** (ARCHER) program was launched by Healthcare Ready in 2021 with funding provided by the Centene Charitable Foundation.

[View more resources for community health centers created by ARCHER](#)

ARCHER was created as a program to support emergency response and recovery capabilities of community health centers in designated high-risk regions across the country. This playbook is a companion resource to the ARCHER Program and is intended to provide insight, guidance, and resources focused on supply chain preparedness and collaborative procurement processes to bolster facility readiness and resiliency for emergency events.

About Us

[Healthcare Ready](#) is a 501(c)(3) focused on healthcare preparedness and response that leverages unique relationships with government, nonprofit and medical supply chains to build and enhance the resiliency of communities before, during, and after disasters.

Acknowledgements

This playbook is made possible through generous support from the Centene Charitable Foundation.

The **Centene Charitable Foundation** (the “Foundation”), is a private nonprofit focused on investing in economically challenged communities. The Foundation serves as the philanthropic arm of Centene Corporation (“Centene”), supporting projects and initiatives strategically aligned with Centene’s purpose-driven culture and enhances the work Centene is doing to remove barriers to wellness that underserved and low-income populations face.

The Foundation is committed to addressing social determinants of health and improving health equity in three distinct areas of focus: Healthcare Access, Social Services, and Education.

[Learn more](#)

Background

Community health centers provide primary and preventative care to more than 29 million Americans in medically underserved areas across the country.

As illustrated by the COVID-19 pandemic and other recent events, health centers are part of the front-line for public health response. During disasters, in addition to maintaining regular services, health centers serve a critical role in helping to offset medical surge scenarios across healthcare systems and other infrastructure. However, limitations and variability around health centers funding sources, along with challenges associated with having a smaller physical footprint (compared to larger, more resourced facilities, such as hospitals), compound the challenges health centers may face in disaster response.

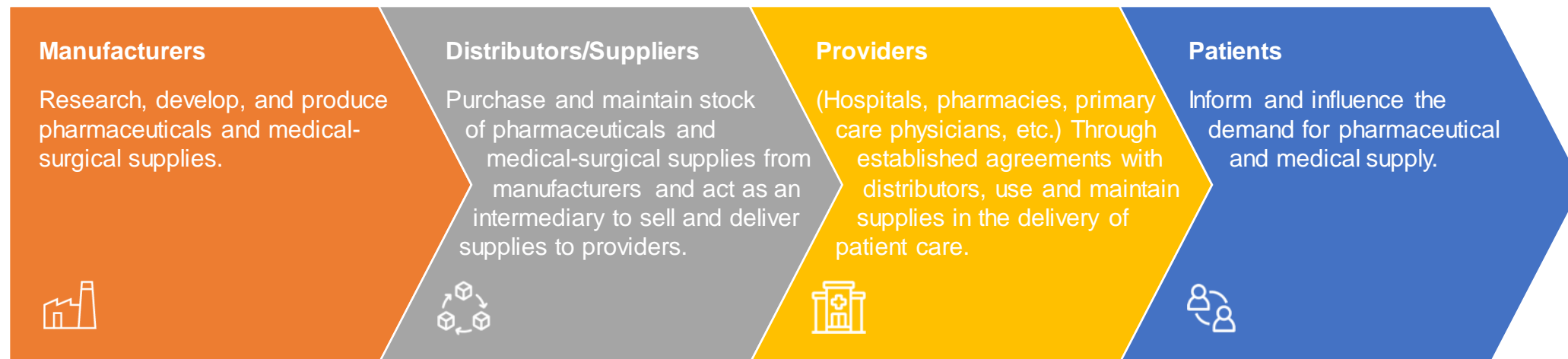
Equipping and enhancing supply chain resilience for health centers or similar healthcare facilities will not only lead to greater preparedness, response, and recovery capabilities among health centers but will also lead to greater, more efficient community resilience and recovery from future disasters.



An Overview of the Healthcare Supply Chain

In simple terms, the **supply chain** can be defined as “the socio-technical network that identifies, targets, and fulfills demand [...] and the process of deciding what, when, and how much should move to where”. (DHHS, 2019)

In healthcare, pharmaceuticals and medical-surgical supplies are the products that make their way through the supply chain. During steady-state conditions (normal operations or periods of non-emergency), the general process and flow of the healthcare supply chain flows is as follows:



An Overview of the Healthcare Supply Chain

Distributors are considered the backbone of the medical supply chain. They are responsible for 92% of all prescription drug sales in the U.S., which makes them experts in supply chain inventory and distribution.

Providers will typically rely on pre-established relationships and agreements with one or more distributors to routinely supply their place of business.

On a 'blue-sky day' in optimal steady-state conditions, this process may be sufficient. However, the occurrence of any disruptive event, regardless of scale and scope has a high degree of potential to threaten the normal flow of supply chain operations, which in turn could negatively impact patient care, business continuity of operations, and overall response and recovery capabilities.

Later sections of this playbook will examine preparedness actions and strategies to assist community health centers and providers in addressing this.

Learn more about healthcare supply chain processes during steady-state conditions:

[Report: Inside the Healthcare Supply Chain](#)

[Infographic: What is the Healthcare Supply Chain](#)



Download Blog:
["What is the Healthcare Supply Chain?"](#)

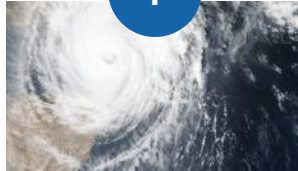
Emergencies: Notice and No-Notice Events

An emergency event, regardless of the nature or cause, is any event with the potential to overwhelm the normal operating capacity of a facility/entity/business and/or geographical area. During emergency situations, a CHC's normal method(s) of procuring medical supplies may encounter disruptions in both notice and no-notice events.

Notice Events allow for the ability to plan and forecast needs in advance. (i.e., hurricanes, planned large mass gatherings, etc.)

No-Notice Events are unpredictable and can strike at any time, so existing staff, supply, and capabilities are all that is available. (i.e., earthquakes, mass casualty events, power outages, etc.)

1



Natural Disasters (Notice)

- Hurricanes, etc.
- Ability to plan/pre-position supplies

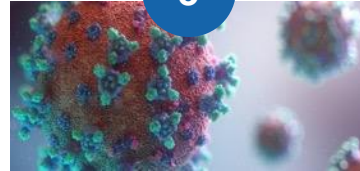
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Natural Disasters (No-Notice)

- Earthquakes, etc.
- Disruptions to staff, supplies, stuff

3



Disease Outbreak (Notice/No-Notice)

- While situation-dependent, a disease outbreak can be either a notice or no-notice event, or both.
- Pandemic, foodborne illness outbreak, etc.
- Potential for long-term supply demand

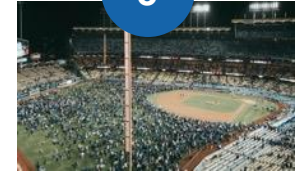
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Human-Caused Event (No-Notice)

- Active shooter, terrorist event, etc.
- Immediate impact

5



Human-Caused Event (Notice)

- Planned mass gathering such as a marathon
- Time to prepare

Potential Impacts and Limitations of Supply Chain Operations in Emergencies

Regardless of the nature of the hazard, notice and no-notice emergency events have the potential to cause significant disruptions at various pressure points along the healthcare supply chain, which in turn may affect the degree to which health care providers and facilities are able to obtain critically needed supplies.

For instance:

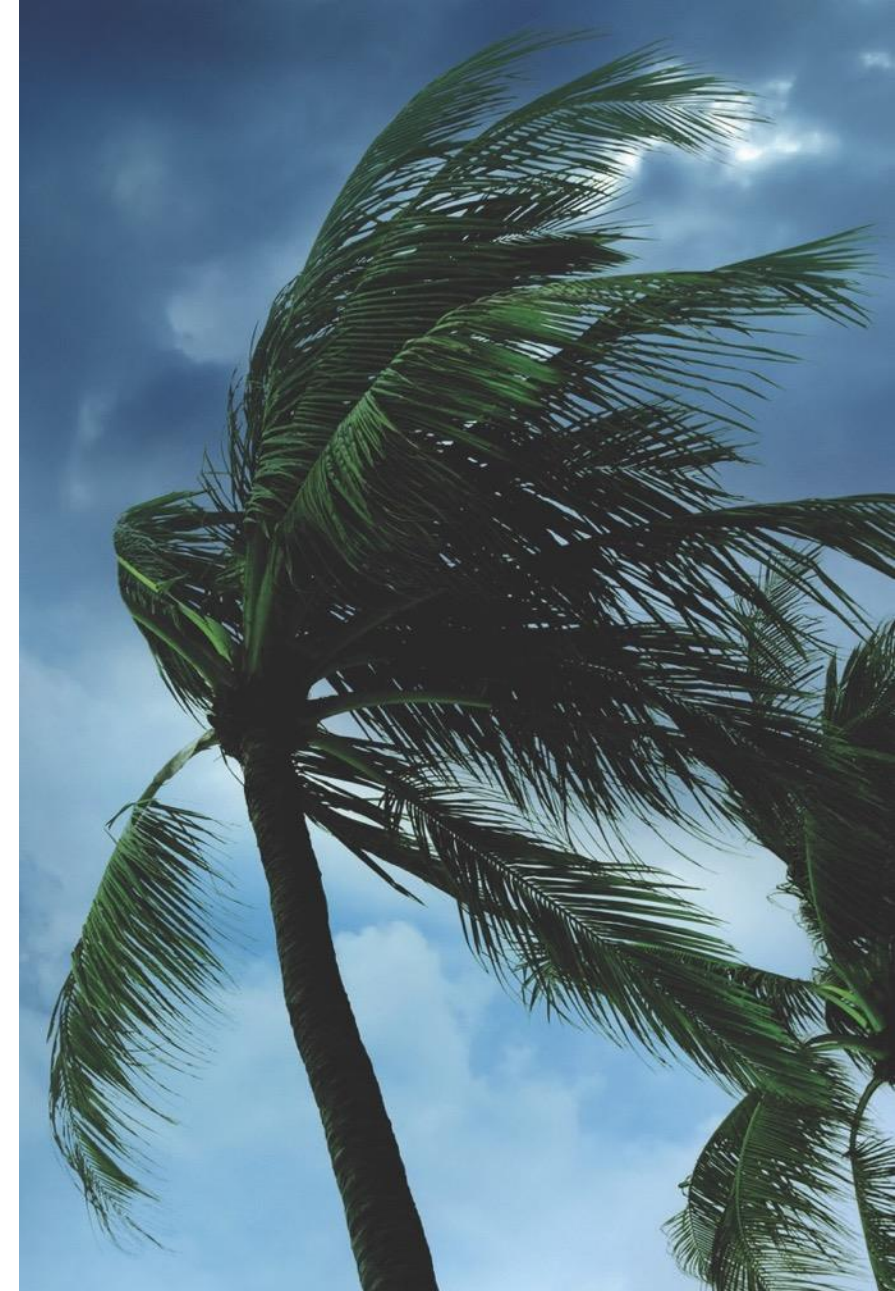
- Normal channels of procuring medical supplies via distributors may become partially or totally unavailable.
- Shipment of supplies to facilities may be delayed or halted altogether.
- Facilities may experience a backorder of supplies and/or be placed on a needs-based allocation (capped or reduced amount available to customers based on previous buying history to avoid over-ordering) during periods of shortages/delay.
- CHCs and providers with a typically smaller purchasing footprint may experience additional challenges in prioritization for obtaining supplies with distributors in competition with larger purchasing groups using the same distributors/suppliers.
- Emergency events often pose an increased risk to vulnerable populations as well as in rural and remote areas. Approximately 42% of health centers nationwide are located in rural areas.

Essential Preparedness Actions

[All Hazards Planning](#) takes a comprehensive and integrated approach to emergency preparedness planning by focusing on core capabilities critical to readiness for all types of hazards that may result in an emergency event.

In 2017 with updates in 2019, the [CMS Emergency Preparedness Rule](#) established the requirement for health centers and other healthcare provider entities to develop and maintain an Emergency Operations Plan (EOP) based on an all-hazards risk assessment such as a Hazard Vulnerability Analysis (HVA), updating it every 2 years. In addition, health centers are expected to:

- Develop and implement emergency preparedness policies and procedures based on the EOP (updates every 2 years);
- Develop and maintain an emergency communications plan that complies with federal, state, and local laws (updates every 2 years);
- Develop and maintain an emergency training and exercise program to evaluate EOP and associated plans (updates every 2 years).



Supply Chain Preparedness: General Strategies

Planning for supply chain disruptions by incorporating redundancies and other prevention, mitigation, and preparedness strategies into emergency operations plans is essential for maintaining facility continuity of operations.

Health centers may consider and implement the following strategies to enhance supply chain readiness and resiliency:

Identify and build partnerships with local, regional, and state partners to enhance supply-related and general information sharing and/or resource coordination capabilities: Waiting until a disaster strikes is not the time to get to know your community partners. Instead, identify and establish open communication with healthcare coalitions, nearby hospitals, public health and other healthcare disciplines, first responders, vendors, businesses, and additional community partners in advance of an emergency event. Get to know one another's priorities and capacities to support one another in an emergency event. Develop and maintain contact lists so you know who to contact and how to best reach them. While partners may be able to assist in emergencies, they should not be relied upon as a first-level/immediate response as assistance may be delayed or not always available.

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Leverage and build upon existing relationships with current distributors/suppliers/vendors: Distributors routinely provide inventory consultation to their customers and may be able to provide additional assistance during planning, response, and recovery phases of a disaster to provide visibility into potential supply chain constraints to assist customers better forecast supply needs and modify orders as needed.

Understand your steady-state supply levels and emergency supply needs: It is important to have a clear understanding of current and typical inventory at any given period including typical daily 'burn rate' in steady-state conditions as well as in emergency scenarios. While there is some degree of scenario-dependency, knowing what type of supplies and approximate amount needed for 24-96 hours of operations will be highly beneficial for preparedness and response.

Consider maintaining a small inventory of emergency supplies to have on hand. Following COVID, there has been a move away from previous 'just in time' ordering practices with distributors and the beginnings of a re-shifting focus back on establishing emergency caches. While there are challenges with both approaches, namely storage and maintenance, having anywhere from 24-96 hours of essential supplies accessible when needed can be critical for continuity of operations, as external assistance is likely to be delayed or may not be available.

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Diversify supply channels and/or have backup distributors/vendors: Having multiple and/or backup vendors in the event one or more is unable to supply your facility may be advantageous. Keep in mind that many other providers may be relying on the same vendor(s)!

Make a plan/policies for accepting supply donations. As a result of COVID shortages with manufacturer PPE and other supplies, there were widespread efforts to find alternative supplies (such as making cloth masks) as well as supply donations to healthcare facilities and other front-line organizations. Having a donation policy and pre-identified process for receipt and storage of donated goods in advance of a disaster will make for a much more streamlined and efficient process. Healthcare Ready developed a list of questions to assist receiving and contributing entities navigate conversations and protocols for donations.

Establishing Communications with the Recipient

1. Who is the point of contact for all coordination efforts?
2. Do we have the CHC address?
3. Where are the receiving facilities?

Understanding the Request

4. What is the estimated # of supplies needed?
5. When is the donation needed by? (i.e., is this an urgent request?)
6. Is this a one-time donation? Or re-occurring?

Ensuring Recipient can Receive the Donation

7. Is the facility able to accept pallets or small loads?
8. Will staff be available at the receiving facility to unload and organize? What is the contact info for them?
9. What is the donation receiving hours?

Assessing Recipient's Storage Capabilities

10. Do the facilities have proper storage capabilities? (i.e., physical storage space, temperature control, etc.)

Establishing Communications with the Donor

1. Who is the person we are holding responsible for all communication and coordination with the donor?
2. Did we give the donor accurate drop-off location information?

Communicating Needs

3. Have we communicated the urgency of this request?
4. Have we confirmed the # of supplies needed?

Understanding Requirements for Receiving the Donation

5. Are we receiving at the health center or another facility?
6. During what hours can donations be received? (And will there be staff to receive donations?)
7. Do staff have to be on-site to receive and unload donations? If so, who?

Ensuring Storage Capabilities

8. Do we have the proper storage capabilities? (i.e., space, temperature control etc.)

View our report on [Leading Practices for Supply Chain Resilience in Community Health Centers](#) for more on soliciting and managing in-kind donations of products.

Worksheet 1

Go to [Worksheet 1](#) to view a simplified emergency preparedness checklist for your facility



Supply Chain Disruption Mini Scenarios

1



Hurricane Sonya, a Category 3 storm with sustained winds in excess of 115 mph, is strengthening and is expected to make landfall in the area within the next 72 hours. Strong winds and heavy rainfall is expected to result in significant flooding and the potential for power outages, among other possible impacts.

Is this a notice or no-notice event?

What are your primary concerns for facility continuity of operations?

What are your immediate priorities?

What, if any, are your expected supply chain related concerns?
Expected supply needs? What actions do you take?

2



It is 7:11 pm on August 4th. Your area is experiencing total blackout conditions that power companies and public officials have confirmed to be due to a massive power grid failure crossing multiple state lines. Weather forecasts call for extremely high temperatures over the next several days. You have tried calling your supply distributors but have not been able to get through.

Is this a notice or no-notice event?

What are your primary concerns for facility continuity of operations?

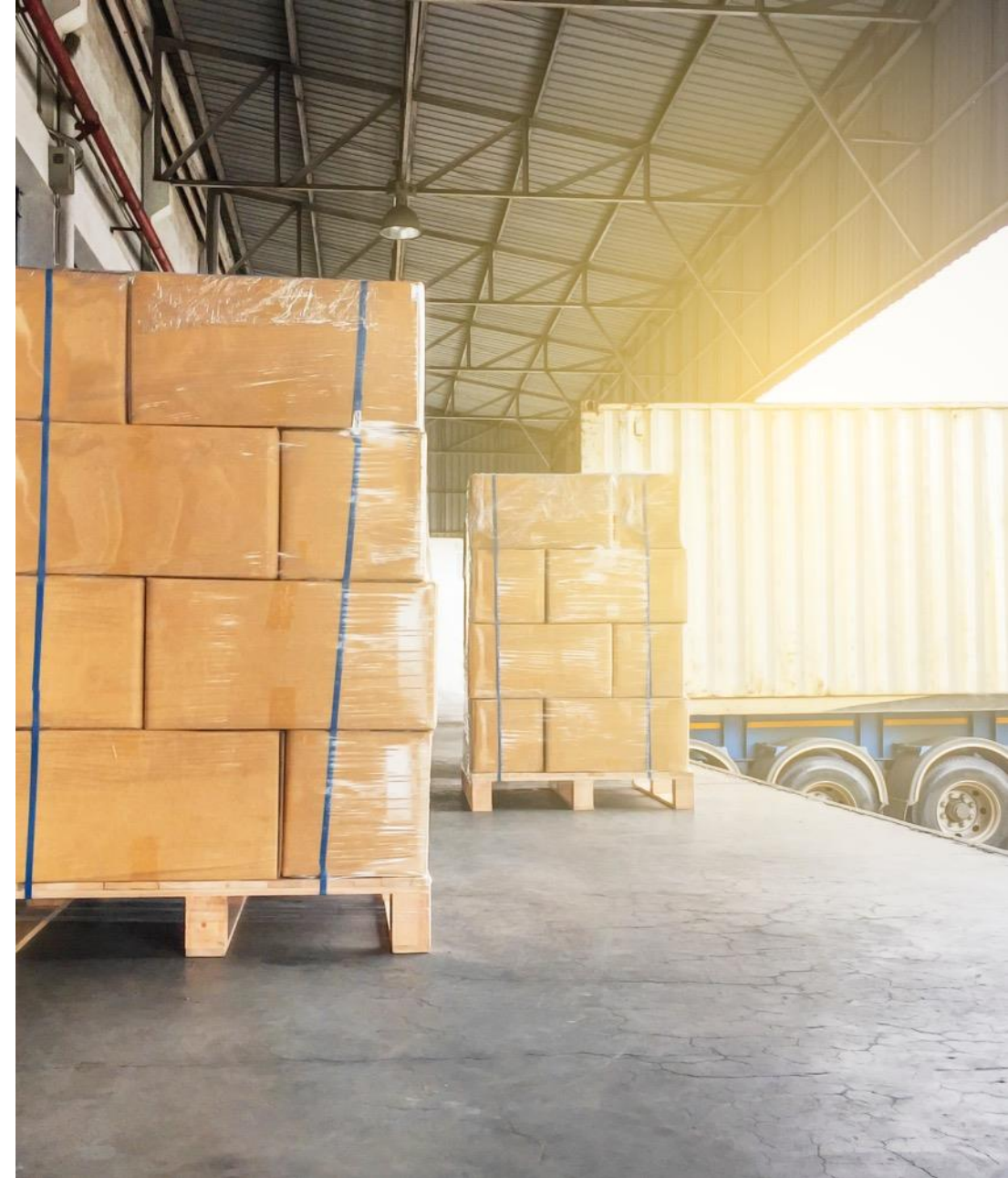
What are your immediate priorities?

What, if any, are your expected supply chain related concerns?
Expected supply needs? What actions do you take?

Supply Chain Resilience: Collaborative Procurement

Collaborative Procurement is a strategic purchasing arrangement that involves two or more independent entities working together (may or may not be through a third party) to purchase supplies and/or services. The primary purpose is to leverage collective buying power in order to reduce costs and improve purchasing efficiency through pooling of resources.

Since health centers often have more narrow operating margins and emergency preparedness budgets than larger hospital systems, existing purchasing agreements with distributors are likely to be smaller contracts, which, could potentially impact supply availability and/or prioritization level in disasters when in competition with larger accounts. By participating in a collaborative procurement strategy, the playing field is leveled and costs and risks can be shared.



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Group Purchasing Organizations (GPO):

A **Group Purchasing Organization** is a form of collaborative procurement in which a third-party entity leads and coordinates purchasing of supplies for (healthcare) entities as GPO members. A GPO combines collective buying power of members to negotiate the best available pricing with a variety of manufacturers, distributors, suppliers, and other vendors for all participants under a group contract. Working with a wide variety of manufacturers and distributors, GPOs are well positioned to have advanced and enhanced visibility regarding supply chain patterns and possible constraints, particularly in emergencies.

In such a model, all members are treated as part of a single entity and experience pricing equality among other benefits. Some GPOs specialize in supplying health centers, specifically, such as the Commonwealth Purchasing Group (CPG), which provides shared services and strategic sourcing for 650+ health centers and nonprofits nationwide.

Learn more about GPOs in this white paper, published by the CPG, which was established by the Mass League of Community Health Centers in Massachusetts.

[Continued >](#)

Regional Purchasing Coalition (RPC):

A **Regional Purchasing Coalition** is made up of (healthcare) providers working together to leverage group purchasing power. It is highly similar in concept and function to a GPO, with the main difference being that RPCs are shared partnership-based vs. working with an external/third party organization as in a GPO. In addition, RPCs work at the local level, focused on a specific geographic area, while GPOs can have a nationwide reach.

Learn more about RPCs and/or locate one near you in this list of the Top 25 RPCs by number of members nationwide.

Piggybacking:

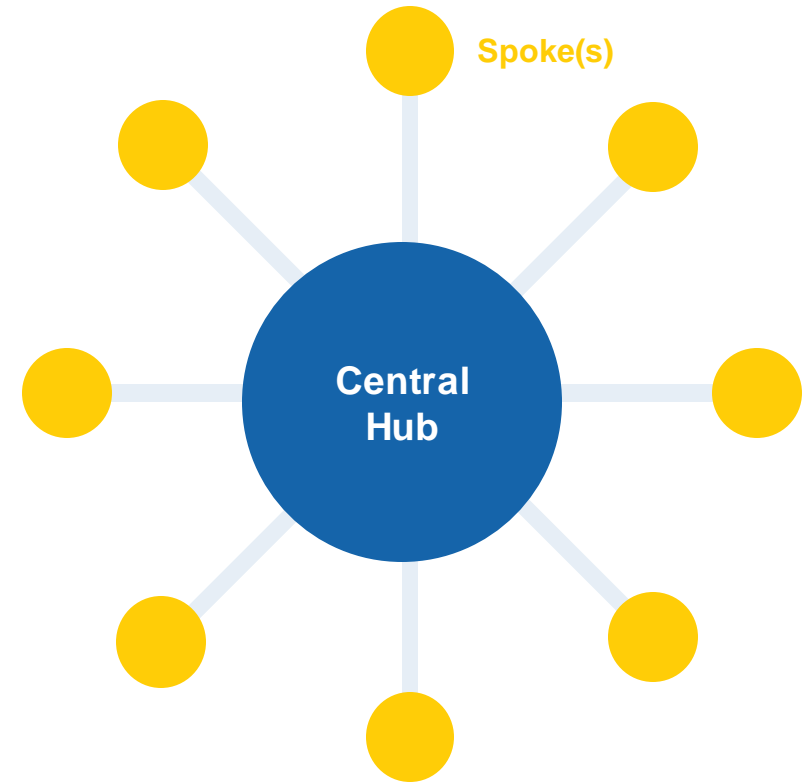
Piggybacking is a different type of collaborative procurement strategy whereby one entity uses another entity's competitive bid contract (with similar procurement process) to purchase supplies under the same conditions/pricing. For example, one health center could use another health center's (or other partner's) pre-established contract to secure and benefit from same costs, contract terms and conditions.

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Hub and Spoke Procurement:

In a Hub and Spoke collaborative model, supply management logistics at the member level (the ‘spokes’) are offset by one central coordinating entity, typically a distribution center (the ‘hub’). While hub and spoke models can also assist with purchasing and other coordination activities, the primary focus tends to be on physical supply inventory maintenance and distribution.

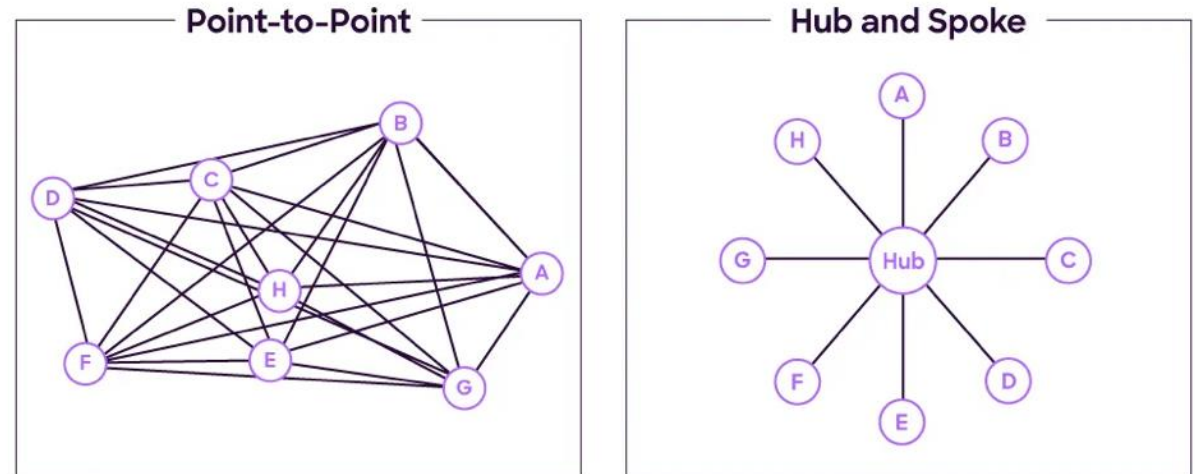
Manufacturers and distributors may implement hub and spoke models to manage complex, large-scale inventory and distribution operations in a more coordinated and efficient manner at the local level, however these same concepts and practices can be leveraged to enhance supply coordination among health centers and other health partners as well.



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A hub and spoke style procurement model may be advantageous for healthcare partners to explore particularly when storage capabilities are a concern. It may alleviate logistical and/or staffing burdens associated with acquisition and storage of medical supplies, especially during emergency situations. Allowing a centralized hub to manage storage, and/or distribution of products can be advantageous for facilities lacking in a dedicated supply chain storage areas and/or staff to manage it and may simplify the shipment/delivery process, promote faster delivery of product, and reduce logistical costs.

Point-to-Point vs Hub and Spoke Distribution Model



Collaborative Procurement Models: Potential Hubs

GPO/RPC, Piggybacking, and Hub and Spoke models can be used interchangeably and in conjunction with one another as a strategy for enhancing supply chain resilience. While GPO and RPC models may be a bit more straightforward in the sense that they have a pre-established coordinating entity or structure as a hub to plug into, there are additional entities, or players to consider in exploring possibilities for creating collaborative procurement partnerships:

Healthcare Coalitions (HCCs) bring together multidisciplinary healthcare and response disciplines and organizations to enhance critical [healthcare preparedness response capabilities](#) within a certain geographic area. HCCs are established as multiagency coordinating groups that integrate with [ESF-8](#) activities within a jurisdictional [Incident Command System](#).

HCCs lead and support collaborative information sharing and coordination of response such as access to supplies and resource allocation. Many HCCs even maintain emergency caches of medical-surgical supplies that may be distributed among stakeholders in a disaster. As HCCs are already a hub-style coordinating body, they may be well positioned to explore more collaborative procurement models with their members.

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The Administration for Strategic Preparedness and Response (ASPR) maintains a [list of healthcare coalitions nationwide](#) to assist you in learning more about coalition capabilities and to locate one near you.

Other players who may be well positioned to serve as a hub and lead collaborative supply procurement activities may include **public safety/first responder coalitions/committees, member associations/nonprofits, other social services and philanthropic consortiums, hospital systems, local and state emergency management agencies and/or local and state public health departments.**

Established networks and larger systems such as these are likely to have experience with higher volume of supply purchasing agreements and may also be positioned to share emergency response expertise and best practices, and/or and resources. They may also have or know of additional connections to secure emergency supplies and stockpiles as conditions and availability allows.

Benefits of a Collaborative Procurement Model

Benefits of participating in a collaborative procurement agreement may include:

- Cost savings- supply costs and/or administrative transaction costs
- Improved market and supply negotiation strategy
- Better impact on monopolistic supply markets
- Increased insight into supply cost structure
- Can assist with forecasting and managing supply needs in disasters
- Fosters information sharing and communication exchanges between partners and distributor/suppliers
- Provides Distributors/Suppliers with more capabilities-based supply needs/requests
- Encourages greater transparency and can better leverage data analytics for forecasting use
- Encourages relationship building and facilitates trust and professionalism
- Fosters innovation through access to expertise and sharing of best practices- partners and distributors
- Potential violations of anti-trust laws may be avoided
- More access to confidential and proprietary supply chain information
- Risk sharing among partners
- Can help drive standardization efforts
- May increase supply /re-supply prioritization power
- May yield additional collaborative/shared services practices (aside from supply purchasing) among partners
- Saves time and reduces overall administrative burden, allowing staff to focus on primary priority of patient care

Implementing a Collaborative Procurement Model

The following steps can be taken to learn more about, develop/and or participate in a collaborative procurement model:

- Establish an internal culture of collaboration. All response begins at the local level; similarly, all planning must begin internally by first adopting the right framework and culture to support it. Understanding the ‘why’ behind collaboration as a strategy for preparedness and how working cooperatively can help impact provider continuity and bottom line is paramount.
- Identify the method and/or elements of a collaborative procurement model that makes the most sense for your facility/area. Explore advantages of each model and the specific needs of your organization and/or geographic area. Are there already any existing collaborative structures/coordinating bodies (such as GPOs, healthcare coalitions, or other member associations) to plug into?
- Build relationships with potential partners (local/regional/state). In your area, what partners may be well suited to collaborate with for coordinating supply chain and/or general preparedness and response? How might you partner with neighboring CHCs or other providers?
- Meet with partners to create a detailed plan that delineates roles and responsibilities, goals and objectives, as well as general timelines for supply chain procurement and preparedness.
- Work with identified partners to Develop Memorandums of Understanding/Agreement (MOU/A) for shared procurement/logistics/maintenance/coordination of supplies. Many resources and templates exist to help in developing a MOU/A for the first time, such as this resource.
- Communicate and train internally with staff and externally with partners on aspects of your agreement/plan.
- Evaluate collaborative procurement plans and policies as part of your routine emergency preparedness exercise program.

Worksheet 2

Go to [Worksheet 2](#) to view a simplified emergency preparedness checklist for your facility



Resources

Connecting the Dots: HealthCare Ready

Healthcare Ready has a wide range of expertise in healthcare supply chain preparedness, response, and resiliency and has published several additional reports and whitepapers on the healthcare supply chain that can be found [here](#). Healthcare Ready expertly leads crisis response, research and policy, and resilience activities for its members before, during, and following emergency events. Just a few examples of these capabilities include:

- **Development of situational reports** and other real-time information sharing tools and resources such as the [Disaster Available Supplies in Hospitals \(DASH\) Tool](#) (developed in conjunction with ASPR TRACIE), to assist emergency planners and supply chain staff estimate supply that may be needed in emergencies.
- **Mappings and data visualization** of resources such as [Rx Open](#), an interactive map displaying operational status of pharmacies and dialysis centers across the U.S.
- **Real-time emergency coordination** (connecting members to available supplies as well as other partners to enhance readiness capabilities).

Learn more about Healthcare Ready membership opportunities and other resources on our website at <https://healthcareready.org/>.

Healthcare Ready Preparedness and Resilience Resources

[Disaster Available Supplies in Hospitals \(DASH\) Tool](#)

Interactive tool that can help hospital emergency planners and supply chain staff estimate supplies that may need to be immediately available during various mass casualty incidents (MCI) and infectious disease emergencies based on hospital characteristics.

[Community Disaster Resilience Tool \(CDRT\)](#)

Map-based interactive tool to help local officials, emergency managers, community leaders, and researchers better understand the nuanced risks their communities face due to overlapping vulnerabilities, healthcare infrastructure, and exposure to hazards.

[Healthcare Ready Rx Open](#)

Healthcare Ready's interactive map displaying operational status of pharmacies and dialysis centers across the U.S.

[HCC List for Select States](#)

Healthcare Ready's list of healthcare coalitions in select states across U.S.

[Infographic: What is the Healthcare Supply Chain](#)

[Report: Inside the Healthcare Supply Chain](#)

[Healthcare Ready Resources](#)

[Supply Ready: Leading Practices for Disaster-Related Supply Chain Resilience in Community Health Centers](#)

[ASPR 2017-2022 Healthcare Preparedness and Response Capabilities](#)

[ASPR Healthcare Readiness Near You](#)

[ASPR Tracie Rural Health Clinic/Federally Qualified Health Center Requirements of CMS Emergency Preparedness Final Rule](#)

[ASPR Tracie Topic Collection: Hazard Vulnerability/Risk Assessment](#)

[Colorado Nonprofit Association Collaboration Toolkit: Creating a MOU](#)

[Community Health Care Association of New York State Emergency Preparedness Training and Technical Assistance Toolkit for Community Health Centers](#)

[CMS Emergency Preparedness Acronym and Glossary List](#)

[CMS Releases Updated Emergency Preparedness Guidance](#)

[CMS Resources](#)

[Definitive Healthcare Top 25 Regional Purchasing Coalitions](#)

[Health Industry Distributors Association Health Supply Chain Resources](#)

[New York Consortium for Emergency Preparedness Continuing Education Emergency Preparedness Toolkit for Community Health Centers and Community Practice Sites](#)

[Partnering with a GPO: A Guide for Community Health Centers](#)



Stay Connected with Healthcare Ready

Response-related questions or assistance:

Alerts@healthcareready.org

General outreach to Healthcare Ready:

ContactUs@healthcareready.org

Hotline:

1-866-247-2694

Find other resources for community health centers:

<https://healthcareready.org/community-health-centers-and-clinic-resources/>

Sign up for Situation Reports:

[Healthcareready.org/contact-us](https://healthcareready.org/contact-us)

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