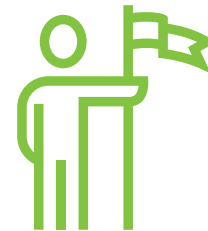


SMI Thought Leadership Councils

Resilience & Transparency Council

April 26, 2023



Agenda



Welcome

5 mins



What have we done?

5 mins



What are we doing today?

10 mins



Group Discussions & Your
Input

90 mins



Next Steps & Wrap Up

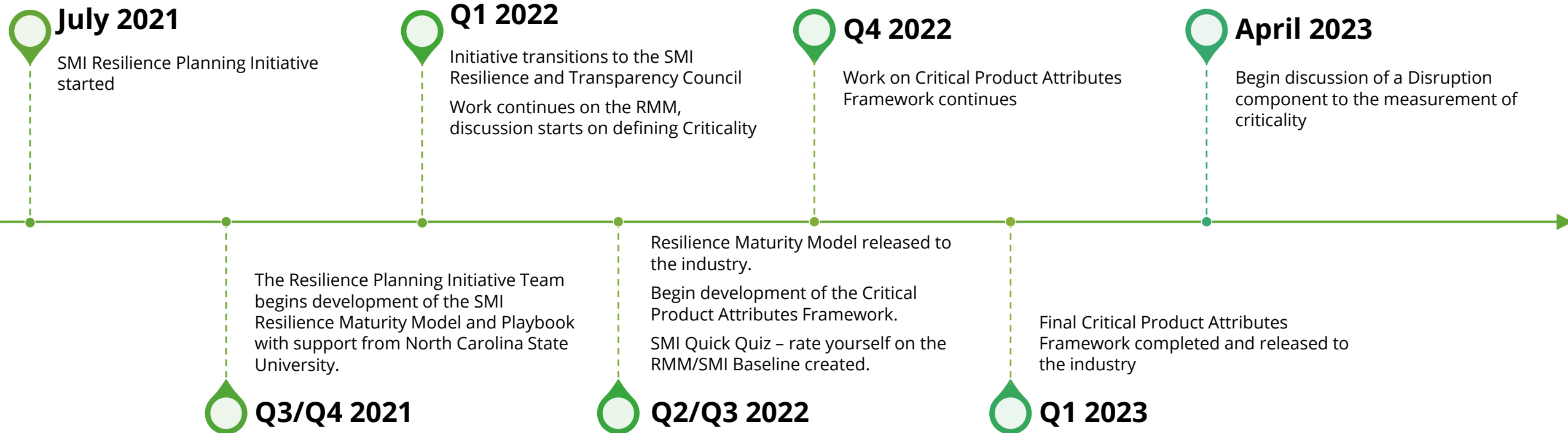
10 mins

Resilience and Transparency Council



Mission Statement:

To envision, design, and transform the Health Care Supply Chain of 2030 as an immune, reliable, and interconnected supply network collaborating across the continuum.





Resilience Maturity Model (RMM)

Resiliency Program

LEVEL 4: Immunity
A collaborative, agile, mature, program based on strong partnerships and knowledge-based collaborations to prepare for and respond to risk. Collective use of analytics and predictive models is in place for continuity in managing most supplies regardless of criticality, risk, or disruption.

LEVEL 3: Resilient
Dedicated program and Supply Chain team that uses technology, analytics, and predictive models in providing a response and solutions for business continuity and risk mitigation. Vigorous use of prevention, assessment, and control measures in place.

LEVEL 2: Responsive
Dedicated Supply Chain team that leads across a system in risk mitigation, management, and response to disruptions with some insight on market intelligence and clinical equivalents for disrupted products.

Level 1: Prepared
Supply Chain reviews and responds to supply disruption with structured processes and plans towards risk mitigation. Insights into some key data points, such as utilization patterns, are part of the response.

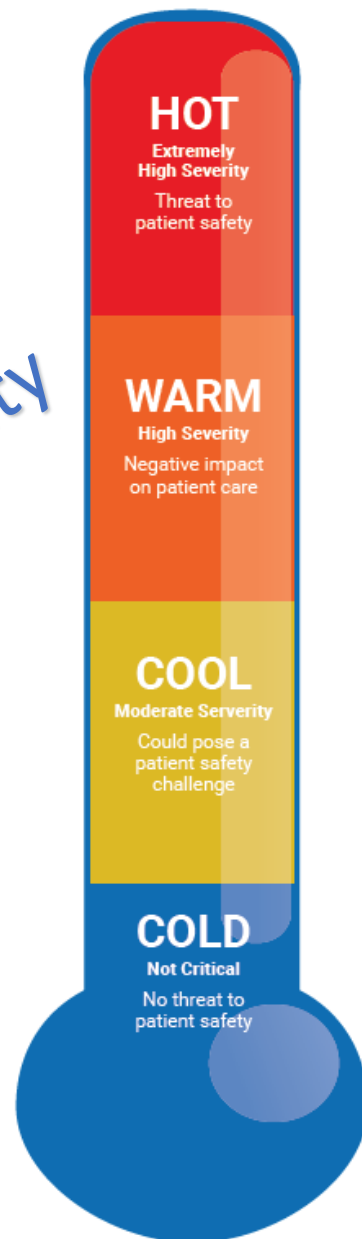
Scope & Service	Communication & Partnership	Infrastructure & Analytics
what	approach	how
<p>Defined response plan with criticality levels/grading of 60% of all items purchased (SKU's) within the last 24 months</p> <p>Predictive modeling under different pandemic or disruption scenarios. Includes testing of business continuity plans with partners to include various test scenarios defined.</p> <p>Work is driven by foresight and intelligence/ analytics in the preparation of response data with visibility to the executive and user stakeholders on performance metrics.</p>	<p>A trusted supply network of relationships in place across all stakeholders for identifying, mitigating, responding, and reviewing a disruption. Proactive leadership for developing alternative sourcing strategies for 'critical supplies' (i.e., domestic manufacturing, innovation, re-use, etc.). Transparent, real-time information is visible to stakeholders on disruptions, leading to "war room" mitigation solutions—regular scenario planning exercises across the supply network. Trading partner payment is linked to business continuity and performance.</p>	<p>An overall control tower system/infrastructure (broad; not limited) is established providing visibility and warning signals for any potential disruption. Supply Network-based visibility tools and data integration are actively used and available across stakeholders using forecasting and predictive dashboards that can project and mitigate the impact of a disruption. Defined source of medical intelligence risk exists that is "cross-walked" to critical supply planning under different potential scenarios. Digital dexterity in place at the system level that allows teams to analyze, understand, and act on the data.</p>
<p>Defined response plan with criticality levels/grading of 40% of all items purchased (SKU's) within the last 24 months</p> <p>Risk mitigation and controls in place that include a shared business continuity plan with partners/ suppliers and collaborators</p> <p>A dedicated team uses analytics and predictive models to guide focus on risk mitigation and response. Product disruptions and response strategies are visible to stakeholders.</p>	<p>Internal: Established governance with executive sponsorship on risk mitigation with projections of risk and defined plans identified early on. Supply Chain partnership is viewed as core to operational reliability and strategic to the business. Communication is proactive, timely, and transparent.</p> <p>External: Strategic partnerships in place with suppliers for market resilience for critical supplies as in the 40% of criticality grading. The dedicated planning team meets consistently to review analytics and update operational product segmentation, risk assessments, critical inventory status, and demand forecasting.</p>	<p>Systems and infrastructure are established that provide comprehensive views of warning signals of potential issues to proactively respond to the risk of selected items/suppliers or areas (limited). Demand planning and forecasting are in place using real-time data streams and monitoring with strong links to market intelligence insights.</p>
<p>Criticality levels/ grading of 20% of all items purchased (SKU's) within the last 24 months</p> <p>Risk mitigation in place for key identified suppliers/ products in advance of any potential disruption combined with strategic stockpiling.</p> <p>Dedicated team focused on resiliency preparedness and response which reflects as a top priority for the organization's executive team</p>	<p>Internal: Established committee/s with stakeholders (clinical + non-clinical) and governance in the management of clinically acceptable equivalents and conservation practices. The approach incorporates sustainable practices and business continuity. Transparent and visible communications.</p> <p>External: Strategic supplier relations include transparency in emergency response and risk mitigation. Supply Chain leads business continuity planning as part of sourcing with established protocols when failures occur.</p>	<p>Demand forecasting - what-if analysis is well established with some use of demand planning. Market intelligence tools are in use that provide meaningful insight into risk disruptions for at least 20% of items identified as critical</p>
<p>The concept of Criticality is defined inclusive of levels and grading systems in preparation for grading specific items in higher levels of resilience.</p> <p>Basic emergency disaster scenarios and response (i.e. emergency carts) established. Risk identification planning occurs periodically.</p> <p>Leadership within Supply Chain has some level of dedicated personnel that leads and establishes a supply disruption response strategy.</p>	<p>Internal: Taskforce(s) established with clinical stakeholders to proactively review clinically acceptable substitutes in preparation for future supply disruption.</p> <p>External: Relationships established with county/ state in advance for future emergency response. A few strategic relationships are established between supplier/provider on fill strategies during times of supply shortages.</p>	<p>Visibility to product consumption rates is available in a reliable format in the form of the "department charge" process. Demand planning development is underway. Establish data quality and standard business processes to support effective responses to supply disruption.</p>

INCREASING RESILIENCE



Critical Product Attributes Framework

Newest Release
Framework on Criticality



Clinical Attribute

Critical to Mission

- Required for life sustaining procedure or care and/or without product there is substantial risk of patient harm

- Inability to provide elective care if product is unavailable; no alternatives

- Change in practice required for use of alternative items. Undesirable, but alternatives are tolerable.
- Product substitutions require some clinical practice change.

- Individual use product - product does not have any links to any other materials or equipment use; easily substituted.
- Product substitutions do not require clinical practice change.

Supply Chain Attribute

Supply Constraints

- No manufacturing redundancy for any upstream product component
- Sole source to distributor with no acceptable substitutes on the market
- Proprietary; no other alternative to product or category

- Limited upstream product component suppliers, limited manufacturing redundancy (2 plants for each product)
- Sole source to distributor with no acceptable substitutes maintain in distributor inventory; acceptable substitutes are available from other sources
- No alternative available in the market. No impact on critical patient care.

- Moderate upstream product component resiliency and manufacturing redundancy (3 plants for each product)
- Available substitutions come from limited sources
- Alternative product available
- Requires link to ancillary products and can also link to alternative substitute products (i.e., bags and sets – interchangeable)

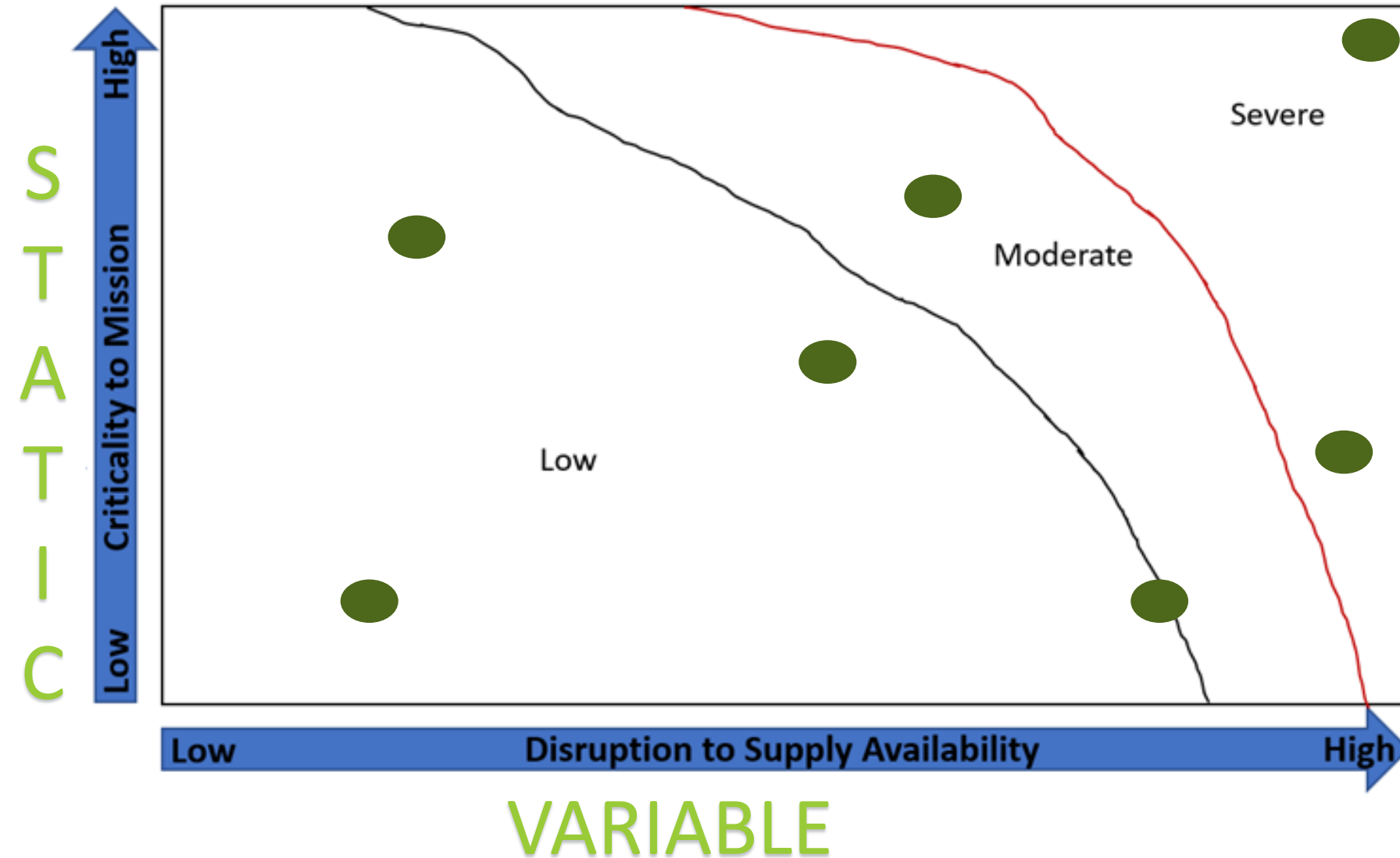
- High degree of upstream component sourcing availability and manufacturing redundancy (4 plants or more for each product)
- Multiple sources and items available as substitutions
- Item is set up in the ERP with available alternative substitute(s) identified and acceptable to clinical staff
- Clinically acceptable alternative products are on market

Question - Where Are We Going Now

The Critical Product Attributes Summary contains static and variable factors.

How do we apply the criticality framework to guide us and in prioritizing our mitigation and response to disruptions?

Our Task Today is to take the Criticality Meter Framework and put into practice



What factors are static?

What factors have variability and are subject to change; essentially are more fluid?

With Thanks to Allen Klingsporn

First Task: Static & Variable Factors



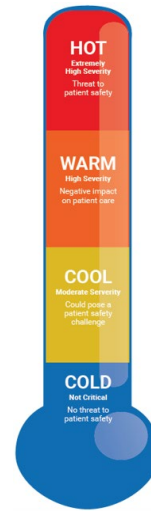
Our job for today:

1. Confirm and align which of these factors are static vs. variable
 - *Combine themes (i.e. substitutes availability into a single factor)*
2. Identify variable factors that impact disruption that are NOT on the Critical Attribute Framework (i.e. inventory on hand)

Break out into groups of 5-7

Discuss & Outline for 20 Minutes

Groups Presents 10 Minutes



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Static & Variable Factors

Static (y-axis)

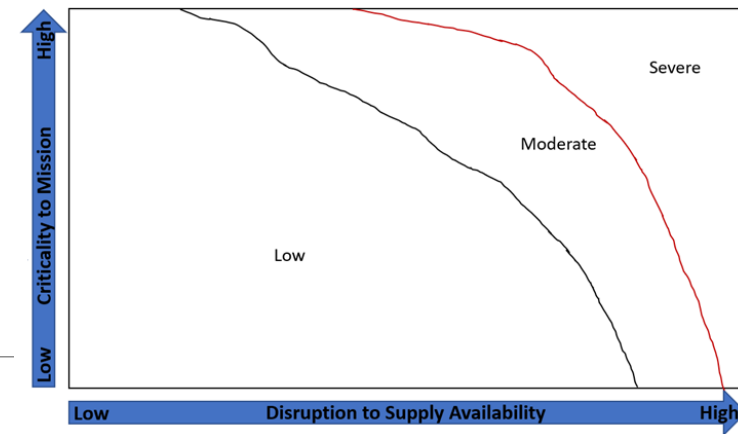
Primary Clinical Attributes

Variable (X-Axis)

Subject to Change Frequently

**GROUP
DISCUSSION
& REPORT
OUTS**

Now, let's focus on the Variable Factors Only....how do they play into the Low, Moderate & Severe Zones?



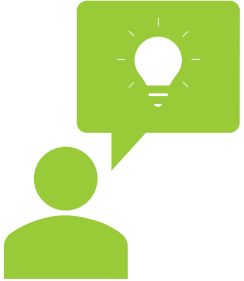
Our Next Job:

1. Take the Variable factors and identify which would be in a low, moderate or severe zone and whether it should be by # of factors or something else (i.e. below)
 - 2 out of 7 = low zone
 - 3 out of 7 = moderate
 - 4 or more = severe
2. Once you have mapped out your variable factors by zone (Low, Moderate, and Severe); run a test with example scenarios

Discuss & Outline in Groups for 20 Minutes

Groups Presents 10 Minutes

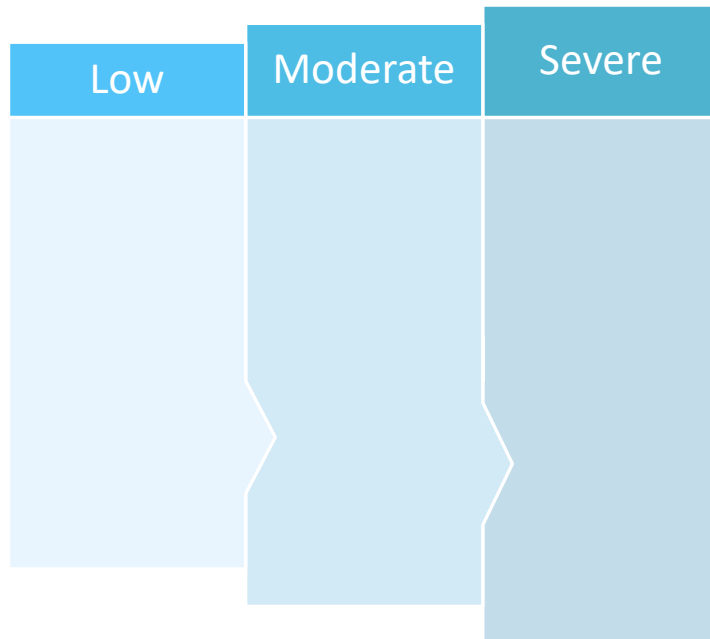
Variable Factors in the Zones



What are the variable factors that cause disruption and will drive action on an item?

How do we best layer in variable factors?

How do we use this disruption information to drive action?



**GROUP
DISCUSSION
& REPORT
OUTS**

Next Steps

1. **Refine the Variable Factors**
2. **Confirm Static Factors** (primarily clinical attributes – i.e. required for life sustaining procedure)
3. **Incorporate disruption into the Critical Product Attributes Framework based on today's discussion**
4. **Send enhanced tool to Council for input by July 1, 2023**
5. **Finalize enhanced tool at Q3 Virtual Council Meeting**
6. **Publish the tool to the industry**
7. **Re-survey members on RMM status in September for comparison to 2022**
8. **Tackle next priorities at Council meeting at October Forum**

*Hold
Up
Your
Phone!*



**Time for an
evaluation**

DINNER NOW AT THE OMNI

Up Next

- ❖ 6:15 PM: Cocktails
- ❖ 7:00 PM Dinner
- ❖ Dress code is casual.
- ❖ Las Colinas Ballroom



Thank you!

