

HEALTHCARE SUPPLY CHAIN DISRUPTION UPDATES

April 2024



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Supply Chain Disruption Updates

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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's Assessment

Some of the Port of Baltimore's largest import/export categories are stated to be autos/light trucks, farm and construction machinery, sugar, coal, and gypsum.

Recovery efforts in Baltimore are continuing to make progress. Crews began [removing containers](#) from the still-stuck ship and clearing the collision site.

The Baltimore Bridge collapse highlights the vulnerability of critical infrastructure and the interconnected nature of global supply chains. Companies across various industries, including healthcare, should closely monitor the situation and implement contingency plans to mitigate potential disruptions in their supply chains.

Premier's Action

The morning of the bridge collapse, Premier SME's jumped into action to assess overall member and supplier footprint.

We believe any impacted healthcare suppliers will quickly adjust their shipments to new to alternative, nearby ports.

Premier will [remain in communications with our suppliers](#) – they have not reported any immediate healthcare supply concerns due to the bridge collapse.

Additionally, there are over 100 healthcare distributor locations in the surrounding areas which can use utilize alternative routes.

Assessing Supply Chain Impacts from the Baltimore Key Bridge Collapse

A 213-million-pound cargo vessel struck the Francis Scott Key Bridge on March 26, affecting Port of Baltimore operations. At this time, major healthcare supply chain impacts are not expected outside of potential short-term delivery delays for the surrounding Baltimore communities.

Shipping and Trade Disruption:

- Diversion of ships to alternative East Coast ports, leading to [delays of up to 24 days](#) and increased congestion.
- [80 percent of Baltimore](#)-bound containers are being rerouted to other East Coast ports.
- [New rail services](#) are moving containers between the ports of Baltimore and New York/New Jersey to assist shippers disrupted by the closure.

Industry-Specific Impacts:

- Premier performed an assessment and found no immediate threats to member healthcare systems. Acute and non-acute facilities could experience delays in product shipments.
- Coal exports and automobile imports/exports face immediate operational challenges and financial losses.
- Major automakers like BMW, Volkswagen, Nissan, Toyota, and General Motors are significantly affected.

Economic Impact:

- Estimated direct [revenue loss of \\$9 million per day](#) due to disrupted shipping operations.
- Potential \$50 million loss in toll revenues from the non-operational bridge.
- Risk of \$15 million in economic activity disruption per day for the Port of Baltimore.
- [Global trade impact of over \\$80.8 billion](#) worth of cargo handled in 2023.

As healthcare leaders, this tragedy highlights the continual need to enhance our supply chains to be even more resilient, more responsive and more robust in the future. Premier continues to monitor this situation closely and pursue proactive preparedness efforts, including supplier communications and [ongoing updates](#) for our members.

Premier's Assessment

The collapse of the Francis Scott Key Bridge in Baltimore initially seemed poised to wreak havoc on shipping rates and supply chains. However, data from ocean freight rate benchmarking firm [Xeneta](#) revealed the opposite effect - rates on major trade routes to U.S. East Coast ports, including Baltimore, have actually declined since the late March bridge collapse.

This is attributed to nearby ports like New York/New Jersey absorbing the influx of diverted Baltimore containers on ships that would have called at those ports anyway.

The bridge incident still compounds existing supply chain challenges for shippers like diversions in the Red Sea and disruptions on the Panama Canal.

As the Army Corps works to reopen Baltimore's shipping channels over the next two months, the long-term impacts will likely linger through much of 2024 as logistics networks recalibrate.

Premier's Action

Premier will continue to leverage its extensive data assets, supply chain expertise and relationships with providers and suppliers to deliver actionable insights, so organizations can make well-informed decisions to keep critical product supply lines flowing during times of disruption.

Shipping Rates Defy Expectations, Falling After Baltimore Bridge Collapse

[Despite expectations](#) that the recent collapse of the Francis Scott Key Bridge in Baltimore would disrupt supply chains and drive up shipping costs, [ocean freight container rates have actually decreased](#) in the aftermath, according to data from rate benchmarking firm [Xeneta](#). Their analysis shows that spot rates from the Far East to the U.S. Northeast Coast, which includes the Port of Baltimore, have experienced a **slight 1% decline since** the March 26 incident.

The falling rates also extend to other major U.S. East Coast ports like New York/New Jersey, **with a 3% rate reduction** from the Far East over the same timeframe.

Analysts say that rates have not increased, despite Baltimore being cut off, because many of the diverted containers are being handled by nearby ports such as New York/New Jersey. Many of the ships originally bound for Baltimore's port would have made these other stops anyway before or after calling on Baltimore. As a result, **port operators have been able to absorb the unexpected influx of Baltimore-bound containers without significantly impacting capacity or pricing for other routes and cargo.**

However, analysts emphasize that this steady rate environment does not mean the bridge collapse has been inconsequential for shippers. Rather, it represents the latest challenge they must grapple with amid ongoing global supply chain disruptions like recent diversions of ships away from the Red Sea region and drought restricting vessel drafts in the Panama Canal. Shippers with cargo intended for Baltimore now face uncertainty and delays as their containers arrive at alternate, unplanned destinations.

In the meantime, the U.S. Army Corps of Engineers is working to reopen maritime access to the Port of Baltimore in the coming months. They aim to establish a temporary 280-foot wide, 35-foot-deep federal navigation channel by late April, followed by restoring the **permanent 700-foot wide, 50-foot-deep channel by the end of May**. This would allow the port to resume normal shipping operations after over two months of disruption from the bridge collapse and subsequent channel closures. Nonetheless, ripple effects from this incident are likely to persist for shippers well into the second half of 2024 as supply chains recalibrate.

Premier's Assessment

While ocean rates have started declining recently, carriers are still pushing for rate hikes in April amid supply-demand imbalances. This volatility in freight pricing can create uncertainties and challenges in managing supply chain costs effectively for healthcare.

With the Red Sea crisis disrupting ocean shipping lanes, many companies have turned to costlier air freight to avoid delays. Healthcare providers sourcing time-sensitive or critical medical supplies may have had to opt for air transport, leading to substantially higher freight expenditure.

Premier's Action

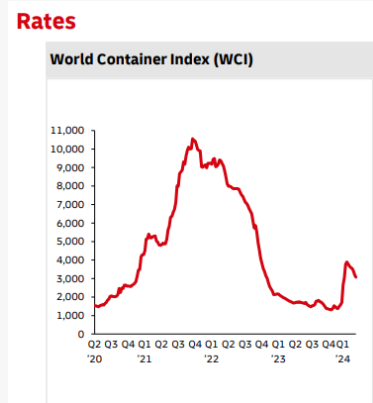
Premier continues to closely monitor the freight market trends, including the fluctuations in ocean rates, capacity constraints due to the Red Sea crisis, and the rising air cargo demand and pricing. While these disruptions have created widespread cost pressures across supply chains, Premier's strategies are focused on leveraging its group purchasing power to insulate members from frequent price fluctuations.

One of Premier's key strategies are to negotiate fixed pricing for a longer duration under the GPO contracts. By locking in pricing for thousands of products and services for an extended period, Premier aims to provide its members with best-in-class pricing that is shielded from short-term market volatility in transportation costs.

Ocean Freight Rates Cool as Red Sea Crisis Boosts Air Cargo Demand

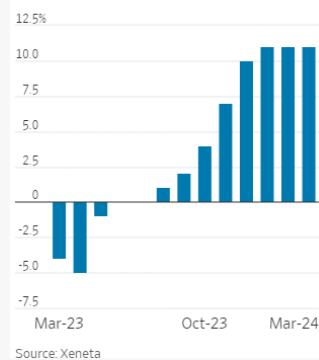
Ocean freight rates on major trade lanes saw a significant run-up in early 2024, with the widely tracked [World Container Index](#) (WCI) reaching levels 74 percent higher compared to the same period in 2023. However, this upward rate momentum has recently started to lose steam.

In March 2024, freight rates dropped by around 10 percent, representing a [21 percent decline from the peak levels](#) seen in January. Carriers were unsuccessful in their attempts to implement a rate increase mid-March, suggesting weakening pricing power. Although rates have seen some correction after the Chinese New Year holidays, carriers are planning rate increases in April. However, significant demand-supply imbalances remain. Adding complexity is the situation in the Red Sea, where ongoing hostilities have forced ships to reroute around the Cape of Good Hope. This has soaked up over [1.26 million TEUs](#) of additional capacity.



Air Cargo Freight Demand is Increasing

Year-over-year change in global air cargo demand by month



The ongoing shipping crisis in the Red Sea has led to a [boost in air cargo freight](#) demand and rates. Retailers and manufacturers are increasingly turning to air freight to bypass the delays caused by ships having to reroute around Africa instead of using the Suez Canal due to the conflict in the Red Sea. Global air freight volumes have **grown at a double-digit** pace in each of the past four months through March 2023, with demand particularly strong on trade lanes affected by the Red Sea crisis. Air freight rates on routes linking the Middle East and South Asia to Europe saw a sharp increase, with the [average spot rate rising 46 percent](#) from February to March 2023 to \$2.82 per kg.

Panama Canal Restrictions to Normalize Throughout 2024

Many healthcare products, [ranging from pharmaceuticals and medical devices](#) to personal protective equipment (PPE), are transported via maritime routes that pass through the Panama Canal. Recently, the Panama Canal Authority (ACP) has indicated that the restrictions on transit operations through the canal, which were implemented due to a severe drought exacerbated by El Niño, will continue throughout 2024. The ACP is optimistic that steady rainfall expected to arrive in late April and continue for a few months will allow them to gradually ease restrictions, with the [aim of fully normalizing operations by 2025](#).

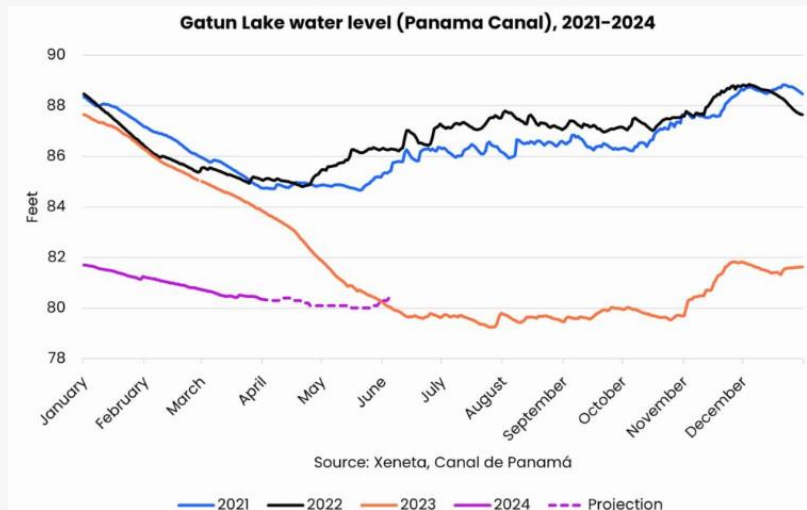
The drought conditions, which began in May 2023, forced the ACP to reduce the number of daily transits and impose draft restrictions, leading to long queues and higher toll fees. This prompted many shipping companies to reroute their vessels, avoiding the Panama Canal altogether. The situation was further compounded by security threats in the Suez Canal region, prompting some ships to switch to a land transit option across Panama.

While the ACP has recently upped the total daily [maximum transits to 27](#), this is still significantly lower than the normal maximum of 36 transits during the rainy season.

The ACP has acknowledged that any further modifications to the restrictions will be contingent on the rainfall forecasts. If the precipitation falls short of expectations, the Canal may need to retain or impose additional restrictions on daily passages or draft levels.

As for supply chain implications, prolonged restrictions on Panama Canal transits have already led to a reduction in tonnage transits by a third, according to data from . This disruption to one of the world's key maritime trade routes has likely had ripple effects on global supply chains. While the ACP's projected water level improvements at the Panama Canal starting in late May could signal a gradual return to normalcy, the situation highlights the vulnerability of vital shipping infrastructure to the impacts of climate change and extreme weather events like El Niño. [Research](#).

This disruption to one of the world's key maritime trade routes has likely had ripple effects on global supply chains. While the ACP's projected water level improvements at the Panama Canal starting in late May could signal a gradual return to normalcy, the situation highlights the vulnerability of vital shipping infrastructure to the impacts of climate change and extreme weather events like El Niño.



Premier's Assessment

The Panama Canal restrictions have adversely impacted supply chains, forcing shipping companies to reroute vessels and potentially causing delays and increased costs.

However, the Panama Canal Authorities (ACP's) projections of improving conditions in the coming months could indicate a potential easing of these supply chain disruptions, although gradually, as operations normalize through 2024 and into 2025.

Premier's Assessment

The recent earthquakes, including the one in Taiwan, the quake in [New Jersey](#), and the earthquake that [struck Japan](#), have [impacted endoscope production](#), highlighting the active earthquake season the world has been experiencing this year.

An [estimated 92%](#) of the world's most sophisticated chips are manufactured by one company: the [Taiwan Semiconductor Manufacturing Co](#) (TSMC). TSMC's factories are located about 90 miles away from the earthquake's epicenter.

Even though the disruption was minimal, the short disturbance to chip production in Taiwan could delay shipments and cost millions. The exact financial toll of the earthquake is still being assessed.

Premier's Action

Premier remains active in collaborating with suppliers to understand their contingency plans and capacity mitigate disruptions.

We are committed to staying updated on the evolving geopolitical situation between Taiwan and China and will report out if there are any additional impacts to global



Major Earthquake Hits Taiwan and Temporarily Disrupts Semiconductor Production

Earlier this month, Taiwan endured a [7.4 magnitude earthquake](#), an event of a scale [unseen since 1999](#). The earthquake demolished over two dozen buildings, claimed nine lives and left over 1,000 individuals injured.

However, the full extent of the consequences remains to be assessed. Initially, the tremors severely disrupted operations at [Taiwan Semiconductor Manufacturing Co.](#) (TSMC), the world's preeminent producer of advanced semiconductor chips. TSMC was compelled to halt certain chip fabrication equipment and evacuate its workforce.

After an initial inspection, the company said there were no major issues at any of the chip sites. "A small number of tools were damaged at certain facilities, partially impacting their operations. However, there is no damage to our critical tools," a TSMC spokesperson [wrote in a statement to NPR](#). Overnight operations resumed within 24 hours.

Key Takeaways and Supply Chain Impacts:

- **Global Technology Supply Chain Disruption:** With Taiwan as a major hub for semiconductor manufacturing, this and other earthquakes could lead to shortages of chips crucial for medical devices, diagnostic equipment and [AI-powered diagnostic tools](#).
- **Potential Economic Impact:** The incident has increased geopolitical tensions between Taiwan and China, with [China sending military planes](#) near the island after the earthquake. A conflict over Taiwan could result in a [\\$10 trillion loss](#) to the global economy, highlighting the importance of Taiwan's role in the semiconductor supply chain.
- **Logistics and Infrastructure Challenges:** Disruptions to Taiwan's logistics and power infrastructure could further impede the delivery of semiconductor chips, exacerbating supply chain issues.

Premier's Assessment

The increased risk posed by Houthi rebels in the Indian Ocean has the potential to disrupt maritime transportation and global supply chains that rely on this critical trade route.

With the threat now extending into the Indian Ocean, shipping companies may be forced to reroute vessels away from this region to avoid potential Houthi attacks. This could lead to longer transit times and increased fuel costs.

Any successful Houthi attacks on merchant vessels could result in shipment delays as cargo is impacted. Even the threat of attacks may cause vessels to proceed more cautiously, reducing speeds and increasing travel times.

Premier's Action

Overall, the expansion of Houthi threats has introduced a new risk factor that could make transportation of goods through the Indian Ocean more costly, less efficient, and potentially unreliable at times.

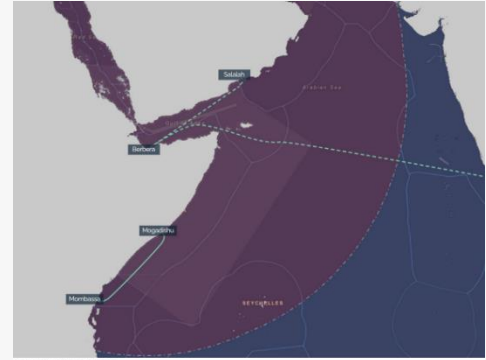
Premier remains actively engaged with our suppliers to understand their contingency plans and capacity to mitigate disruptions caused by the transportation diversions.

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

Houthi Naval Threats to Global Shipping in the Indian Ocean

On April 7, the Houthis claimed to have targeted three merchant vessels, including one in the Indian Ocean operating between Mombasa, Kenya and Mogadishu, Somalia. This marks the first time the Houthis have [claimed an attack in the Indian Ocean](#), expanding their operational reach beyond the Red Sea and Gulf of Aden regions.

The Houthis have previously targeted at least 55 merchant vessels with Israeli affiliations or those owned by U.S. or UK companies, demonstrating their capability to strike vessels with these affiliations in an extended area. While the Houthis have primarily threatened Israel-affiliated shipping in the extended area, due to a reduced availability of Israeli targets, the Houthis are likely to extend their target profile to include U.S. and UK-owned shipping as well.



The expansion of the Houthi threat into the Indian Ocean could potentially impact global supply chains, as the Indian Ocean is a crucial maritime trade route for goods and commodities. Vessels transiting the region could face increased risks of being targeted by the Houthis, leading to potential disruptions, delays or rerouting of shipments. This could result in higher transportation costs and longer delivery times, ultimately affecting the flow of goods and supplies globally.

If Houthi attacks disrupt the overall supply chain, it could potentially lead to shortages or delays in the delivery of medical supplies, equipment, or pharmaceuticals that are transported via maritime routes in the affected regions.

Vessels transiting the high-risk areas are advised to conduct thorough affiliation checks, consider rerouting if deemed necessary, and be prepared to implement recommended mitigation measures, such as [stopping AIS transmissions](#) and signal emissions, and practicing crisis management responses to potential attack scenarios.

Premier's Assessment

This double ransomware attack on Change Healthcare starkly illustrates the massive cybersecurity challenges facing the healthcare industry. Healthcare providers hold vast amounts of extremely sensitive personal and medical data on millions of patients, making them an enormously attractive target for ransomware gangs.

The theft of 4 terabytes of data, including military personnel records and patient financial information, demonstrates how vulnerable this sector is to crippling data breaches and extortion attempts. Ransomware gangs clearly view healthcare as a lucrative opportunity given the mission-critical nature of the data and the disruption such attacks can cause.

Premier's Action

Cybersecurity incidents are a growing threat to the healthcare industry, impacting hospitals in particular. In order to best protect patients, health systems must make considerable efforts to safeguard their facilities and work together to reduce cyber vulnerabilities across the industry.

To help lead this transformation, Premier has created this [cybersecurity repository](#) with various cybersecurity-specific resources and recommendations, as well as current cybersecurity news, updates and podcasts.

Change Healthcare Targeted in Second Ransomware Attack

Change Healthcare is reportedly [facing another major ransomware attack](#), just weeks after being hit by the [ALPHV/BlackCat](#) ransomware gang. This time, the attackers are believed to be the ransomware group [RansomHub](#), which has allegedly stolen a massive 4 terabytes of sensitive data from the company.

RansomHub wrote on that it put information obtained in the hack of the UnitedHealth Group subsidiary [up for sale](#), according to screenshots posted [on X by cybersecurity researchers](#).

The stolen data cache is said to contain highly sensitive information, including medical records, financial data and personal details of U.S. military personnel and patients. This latest attack puts Change Healthcare's parent company UnitedHealth in an extremely difficult position, having to weigh the risks of paying the ransom demand against the potential consequences of such a massive data breach.

There is significant speculation and uncertainty around whether RansomHub has direct connections to the previous ALPHV/BlackCat attackers or if they are a separate entity exploiting the situation. Security researchers suggest various theories, including that RansomHub may be an ALPHV rebrand, a rival gang capitalizing on ALPHV's previous success, or even an elaborate bluff to scare victims into payment. The booming underground ransomware economy, with affiliates, access brokers and collaboration between gangs, adds further complexity.

Regardless of RansomHub's origins, **this second attack highlights the severe vulnerability faced by healthcare organizations and the immense challenge of securing vast troves of sensitive data against cyberthreats.**

Change Healthcare must now navigate this crisis while still recovering from the previous incident, with potentially devastating consequences for the company, its clients and millions of individuals whose personal data has been compromised.

Premier's Assessment

The FDA has issued an import alert and warning letters regarding plastic syringes manufactured - [Jiangsu Shenli Medical Production](#) due to potential quality and performance issues.

The FDA is proactively warning healthcare providers to stop using certain plastic syringes from China that pose potential risks and transition to FDA-approved sources as soon as possible.

Premier's Action

Premier hosted a [Value Analysis \(VA\) Talk](#) on the Safety and Standard Hypodermics market to address questions, updates, best practices and host a discussion about the FDA safety communications.

Additional resources, supplier messaging, toolkits and cross references can be found on PINC AI's™ [Disaster Preparedness and Response community](#).

UPDATE: Evaluating Plastic Syringes Made in China for Potential Device Failures: FDA Safety Communication

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April 10, 2024:

The FDA is announcing expanded actions for Jiangsu Shenli Medical Production Co. Ltd. with an additional [import alert](#) for not meeting device quality system requirements, to prevent ALL plastic syringes by this manufacturer from entering the United States.

We are also providing an update to our recommendations:

- Until further notice and because of potential quality and performance issues, the agency recommends that U.S. suppliers of plastic syringes, consumers, health care providers and facilities immediately transition away from using all models of plastic syringes (including 5 mL luer lock syringes) manufactured by Jiangsu Shenli Medical Production Co Ltd, unless use of these syringes is absolutely necessary until you can complete the transition.

We remain concerned that certain syringes manufactured in China may not provide consistent and adequate quality or performance, and continue to have [recommendations](#) for U.S. suppliers of plastic syringes, consumers, health care providers and facilities.

FDA Issues Import Alert and Warning on Chinese Plastic Syringes

On April 10, 2024, the U.S. Food and Drug Administration (FDA) [issued an update](#) to its [March 19, 2024](#) import alert for plastic syringe manufactured in China.

“Until further notice and because of potential quality and performance issues, the agency recommends that U.S. suppliers of plastic syringes, consumers, healthcare providers and facilities **immediately transition away from using all models of plastic syringes (including 5 mL**



luer lock syringes) manufactured by Jiangsu Shenli Medical Production Co Ltd, unless use of these syringes is absolutely necessary until you can complete the transition.”

Additional FDA Warning Letters Have Been Provided by the Following Companies:

- [Jiangsu Shenli Medical Production](#)
- [Medline](#)
- [Sol-Millennium](#)

At this time, and while the FDA continues its evaluation of plastic syringes made in China:

- Check the manufacturing location for syringes you use or have in your inventory by reviewing the labeling, outer packaging, or contacting your supplier or group purchasing organization.
- Consider using syringes not manufactured in China, if possible.
- At this time, glass syringes, pre-filled syringes, or syringes used for oral or topical purposes are not included.
- If you only have syringes manufactured in China, then continue to use them as needed until you are able to use alternative syringes and closely monitor for leaks, breakage and other problems.
- [Report any issues with syringes to the FDA.](#)
- If you have questions, email the Division of Industry and Consumer Education (DICE) at DICE@FDA.HHS.GOV or call 800-638-2041.

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Pharmacy Spotlight – Update on Recent Drug Shortages

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 [Recent Drug Shortage page on PINC AI™](#).

For recent updates on drug products, please refer to the attached Excel document. New additions or updates for current shortages are presented in **GREEN** text. We welcome you to utilize this document to maintain internal comments or notes.



We encourage you to frequently visit FFF's order platform [BioSupply®](#) for limited stock opportunities. Click on the Exclusive Programs tab to view current offers to reserve drugs through the Rapid Commit® program or for drugs available on demand through Controlled Channel.

Please contact ProvideGxInfo@premierinc.com to report a drug shortage and to seek assistance.

View the [Drug Shortage Notifications webpage](#) for the latest drug shortage information, alternative drug crosswalk suggestions and archives of the monthly Drug Shortage Newsletter.

Routine Updates for Members (log in to PINC AI required):

- Please tune into Premier's monthly Supply Chain Update calls; archived slides and recordings can be found [here](#).

Created: March 22, 2024. Premier staff contributing to the creation of this document include: Paula Gurz, Patrick Sudol, Sudha Narayanaswamy, Kevin Hansen, Leila Tibi-Scherl, David Hubbard, and Jerry Frazier. For questions or comments, contact Jerry Frazier or 630.541.5070.

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Emerging H5N1 Bird Flu Threat: Risks, Treatments and Vulnerable Populations

[H5N1, commonly referred to as bird flu](#) or Highly Pathogenic Avian Influenza (HPAI), is a type of influenza virus that causes highly infectious respiratory disease in birds. While the virus does not easily transmit to humans and has limited potential for person-to-person transmission, it has the potential to achieve high transmissibility, with [mortality rates](#) in past outbreaks reported to be as high as 60%.

Earlier this month, [a person in Texas tested positive for H5N1](#) after exposure from infected dairy cows, marking the first instance of cow-to-human spread of bird flu and only the second case of H5N1 in the US.

Currently, there is no available vaccine to prevent H5N1 infection. **An outbreak of H5N1 could lead to increased prices for poultry, egg, and beef products.** Cal-Maine Foods, the **largest egg producer in the US, had culled over 1.5 million hens** after they tested positive for HPAI at one facility in Texas. If similar actions take place nationwide, there could be significant price increases if producers struggle to meet demand in the coming months.

Oseltamivir (Tamiflu), an antiviral medicine, can reduce the severity of the illness and prevent death. Additionally, Zanamivir, Peramivir, and Baloxavir are all antivirals that can be used to treat influenza symptoms. Oseltamivir oral suspension and capsules are listed on the ASHP Drug Shortage list as of February 11, 2024, due to increased demand rather than upstream manufacturing challenges. Zanamivir, Peramivir, and Baloxavir are not listed on [ASHP's Drug Shortage list](#), providing substitute medications in the event of an oseltamivir shortage. The seasonal flu vaccine does not provide protection against avian influenza viruses, and there are currently no H5N1 vaccines available for widespread use, though candidate vaccine viruses have been formulated.

The most effective mitigation strategy is for individuals in occupations involving exposure to potentially infected animals, such as poultry farmers, livestock handlers, and veterinarians, to wear personal protective equipment (PPE) when working with them, including N95 masks, eye protection, and gloves. Additional recommendations for worker protection to reduce exposure from influenza viruses have been posted by the CDC.

Individuals in occupations with high exposure to or contact with sick or deceased animals, such as poultry farmers, livestock handlers, and veterinarians, are at greatest risk of potential exposure and subsequent infection. Immigrant and migrant workers who predominantly comprise the meat- and poultry-processing workforce are also at greater risk of exposure. Healthcare providers, especially those providing care in rural areas where workers with direct contact with animals are most likely to seek care, should be equipped to monitor for rising cases and provide culturally sensitive education and care in multiple languages.

Premier's Assessment

State officials have reported the first human case of Avian Influenza A (H5N1) in Texas, marking a significant development as it is the second-ever human case of the H5N1 flu, or Highly Pathogenic Avian Influenza (HPAI), in the United States. Notably, this case is the first to be tied to exposure to cattle.

The individual in Texas had been in direct contact with dairy cattle suspected of being infected with avian influenza. According to the Centers for Disease Control and Prevention (CDC), which performed the testing, the person exhibited eye inflammation as their sole symptom and is currently receiving treatment with the antiviral drug oseltamivir. While the situation remains fluid, health authorities have emphasized that the risk to the general public remains low.

Premier’s Category Watch List | April 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 April 23, 2024 (Phase 1 Products – Critical need to execute alternate products)

Contract Name	Supplier Attachments	4.23.24 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%.
Safety and Standard Hypodermics	Standard Hypodermic Products Attachments	Rolling back orders, allocation, market issues
Neurosurgical Critical Care Products	Neurosurgical Critical Care Products Attachments	Monitoring back-order trends for members submitting ERP data based on probability scoring

Product Watch List – (Phase 2 Products – Have alternate products identified and ready to execute)

Contract Name	Supplier Attachments	4.23.24 Additional Information
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
Custom Procedure Trays	N/A	Monitoring back-order trends for members submitting ERP data based on probability scoring
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
Safety Phlebotomy	BD Vacutainer Supply Update	Rolling back orders, allocation, market issues
Catheter Tube Securement and Stabilization Products	Catheter Tube Securement and Stabilization Products Attachments	N/A
General Urological Products	General Urological Product Attachments	Cath Tray W/Urinerometer, 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
Surgical and Isolation Masks	Surgical and Isolation Masks Attachments	N/A
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
Medical and Surgical Respirators, Services and Accessories	Medical and Surgical Respirators, Services and Accessories Attachments	N/A
Patient Prep Clippers and Blades	Patient Prep Clippers and Blades Attachments	Monitoring back-order trends for members submitting ERP data based on probability scoring
Patient Warming - Convective Warming Blankets Resistive Warming OR Table Pads	N/A	Rolling back orders with substitutions available

Skin Integrity: Wound Care	<u>Skin Integrity: Wound Care Attachments</u>	Monitoring back-order trends for members submitting ERP data based on probability scoring
Specialty Womens Health Surgical Products	<u>Specialty Women's Health Attachments</u>	Olympus VC-10 : back-order
Dialysis Access Catheters	<u>Dialysis Access Catheters Attachments</u>	Rolling back orders with substitutions available
Hemodynamic Monitoring Products and Accessories	<u>Hemodynamic Monitoring Products Attachments</u>	Quickflash arterial catheter Batch specific

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

****REMINDER:** Please consider taking a few minutes to share your insights and perspective within [Premier's 2024 Supply Chain Resiliency Survey](#).

Your feedback helps us better adapt and respond to future challenges and often informs our key initiatives at Premier. Your response is greatly appreciated.

[Take the survey here.](#)

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:

- Read [our blog](#) and the full eBook – **Kaleida Health's Journey to \$75M in Savings and Health System 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.
- See [our gala recap](#) – **Celebrating Excellence with the Top Hospitals and Health Systems**
 - On March 6, Premier hosted the 100 Top Hospitals® Awards Gala, convening 100 Top Hospitals® and 15 Top Health Systems™ award winners from 2023 for a night of celebration and networking.
 - The evening was all about the winners and their achievements in the PINC AI™ 100 Top Hospitals® Program.
 - More than just hospital or health system rankings, the program and its benchmarks are helping guide strategy, performance improvement, organizational goal setting and the delivery of patient-centered care for all hospitals.

Don't miss some of our Most-Read Blogs in 2023-2024:

1. [PINC AI™ Solutions: Five Ways They Support Artificial Intelligence in Healthcare](#)
2. [Meet the Future of Value Analysis in Healthcare](#)
3. [Why Health Systems Need a Medicare Advantage Strategy \(and How to Win\)](#)
4. [Work Smarter, Not Harder: Advancing the Healthcare Supply Chain with Contract Automation](#)