QHR Health Supply Chain COVID-19 PPE Warehousing Program



Situation as it exists today

All hospitals are facing extreme challenges in accessing PPE supplies during COVID-19 Pandemic as a result of increased world-wide demand shortages.

Access

- Manufactures and distributors face tight inventories.
- Distributors have not been able to bring in enough product to meet targeted allocation amounts.
- FEMA and states have not been able to effectively ration out and supply product to some areas.

Cost

- Cost of PPE product has skyrocketed due to increased demand; increased costs of raw materials; shipping charges to move product by air instead of ship.
- Great demand but limited supply has increased price to 10 to 15 times pre COVID-19 prices.

Quality

- Hospitals are turning to gray market companies and brokers who may or may not be legitimate.
- Single use items are having to be reused by staff for more than a single time.
- Large quantities of counterfeit product have made its way on the market.





Program Overview

The COVID-19 PPE Warehousing Program will be launched to all QHR Health hospitals this week. The Program will run next 6 to 8 weeks and reassessed for continuation after that period if market scarcity continues.

Orders

- Due to a limited supply, some orders may have to be partially filled.
- All weekly orders will be on a fill or kill basis.
- Hospitals should work with their Regional Director on any emergency order requests.







Program Overview

Process

- QHR Health Supply Chain has signed a contract with Apex Moving and Storage here in Nashville to warehouse and distribute select PPE items to our hospitals.
- QHR Supply Chain has been working the past three weeks to secure product and a supply chain that can bring in weekly quantities of certain PPE product to have available for QHR Health hospitals.
- Program is meant to supplement or bridge hospital PPE inventory when product can not be obtained from distributors; state emergency supplies, or FEMA.
- Program tested last week with some product moving to QHR hospitals in significant hot COVID-19 hot spots.







Program Overview

Billing

- Product will be sold at QHR Health Supply Chain cost with no markup.
- Apex warehousing and handling cost will be added to Purchase Order and generally will not exceed 3 to 4% of purchase order.
- Hospitals will be billed at end of each month by QHR Health Accounting for all orders in that month.
- Hospital invoices should be processed upon receipt to allow us to put money back into program.





Items Targeted for Warehouse Program

N95 and KN95 Masks

Procedural and Surgery Ear Loop Masks

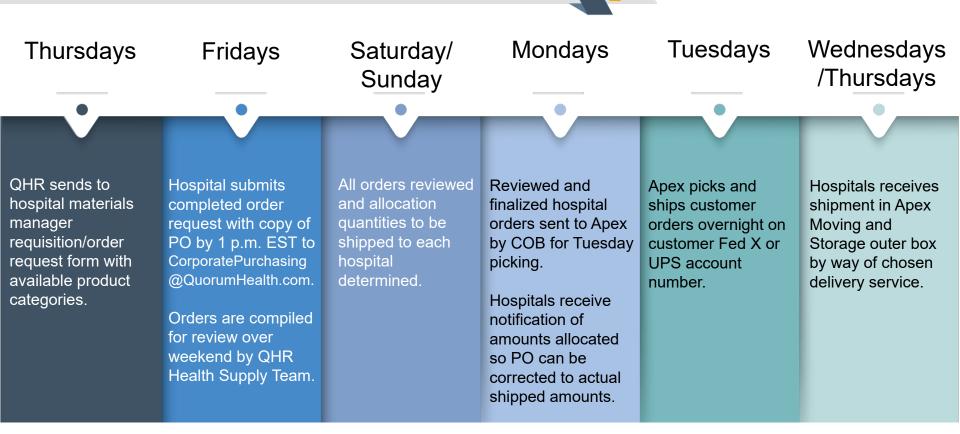
Isolation Gowns

- Face Shields
- Safety Glasses and Goggles
- Hand Sanitizer
- Gloves Nitrile Small
- Gloves Nitrile Medium
- Gloves Nitrile Large





Weekly Order Process







Sample Hospital Order/Request Form

| Facility Entity /GPOID Number | Facility | Fedex/UPS Account # | Description (will be pre-filled by QHR) | | | Quantity Requested |
|--|---------------------------------|------------------------|---|--------------------------------|---------|-----------------------|
| EX12345 | EX - Spring Hill Medical Center | FedEx 123456789 | Gloves -Med. | Case (2 boxes/ 100 per box) | \$17.53 | 10 |
| | | | | | | |

| | Email Contact for Shipping notifications | "Attn to" Name | Contact Phone Number | | Quantity Shipped (will be filled by QHR) |
|-------------------------------------|--|----------------|-------------------------|------|---|
| 123 Main St Anywhere, USA, 12345 | jane.doe@anyhospital.com | Jane Doe | 555-555-1234 | 1234 | |
| | | | | | |



QHR Health Supply Chain support efforts beyond program

 Hospitals should work with their Regional Director for any support needs around COVID-19.

 Special time sensitive COVID-19 related Supply Chain updates will periodically be sent from Sara Maze to materials managers from the desk of Jeff Kimmell, QHR Health Supply Chain SVP or Tony Bramer QHR Health Supply Chain VP.

 Strategic Service Partner Managers are available to assist hospitals with unique requests that are not part of the warehousing program.

 Hospital C suite and Materials Managers are encouraged to read the weekly QHR Covid-19 Q-Sights for all new Supply Chain and Pharmacy updates.

 Hospital C suite and Materials Managers are encouraged to visit the QHR Health COVID-19 Online Resource Center for an extensive compilation of important reference materials.











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