

BRIEF

Drug supply shortage forces upheaval, care dilemmas on US hospitals

By Jennifer McKeivitt • May 25, 2017

Dive Brief:

- U.S. hospitals are facing a shortage of medical-grade sodium bicarbonate, to the point of postponing treatment or transferring patients to better stocked facilities, due to depleted or empty stock by the country's sole suppliers, The New York Times reported last week.
- This shortage is the most recent example of a hospital staple dwindling to inaccessibility. Within recent memory, countless generic injectables have run out at suppliers. Distressed hospital administrators and government officials are now insisting manufacturers provide advance notice of a pending shortage.
- The problem began when Pfizer announced its supply shortage in February, forcing its competitor Amphastar to see a spike in demand and consequently deplete its supplies as well. Supply availability was aggravated by Pfizer's choice to distribute from a single national distribution center, per the report.

Dive Insight:

Medical shortages are rarely caused by a single factor, and the current Sodium Bicarbonate deficit is no exception. Supply Chain Dive spoke with Curtis McEntire, Director of Performance Services and Optimization at Omnicell, an automated healthcare provider company, about how such

shortages occur. Mr. McEntire formerly managed the supply chain for Intermountain Healthcare.

The circumstances that lead to shortages come from a series of related events, Mr. McEntire said. "Drug procurement collectives and group purchasing organizations (GPOs) are continually pressing manufacturers for lower prices. When they succeed, some drug makers find it's no longer profitable enough to keep making certain drugs, so they drop out of the running. That leaves fewer manufacturers to supply the whole country."

Fewer manufacturers, same demand.

"Then, as in the case of the Sodium Bicarbonate matter, if one of the two or three manufacturers still making the drug has a problem anywhere along the supply chain, that puts all the demand on a single source, which inevitably leads to a shortage," Mr. McEntire continued. "The irony is that once supply dries up, the price of the drug shoots up, wiping out the savings the GPOs wanted in the first place."

In this particular case, part of the issue lies not with the drug itself but with the glass ampoules in which it's dispensed. Pfizer, one of the two current manufacturers (the other is Amphastar), acquired Hospira, the original manufacturer of generic injectables such as Sodium Bicarbonate in 2015, but allegedly did not seek an effective secondary source for the ampoules needed, a basic facet of managed risk within the supply chain.

Pfizer and Hospira together have both been high on the list of manufacturers most likely to run short of basic drugs, according to Omnicell.

"Because of their longstanding issues with shortages, we have to wonder what's happening at the most basic level of the supply chain," Mr. McEntire said. "They have some accountability here, since we consistently see them at the very top of our list of manufacturers most likely to run short of a basic drug. The Sodium Bicarbonate shortage is symptomatic of a problem within their supply chain."

Hospitals too play a role. Procurement and drug availability is rarely a role that's gladly accepted by medical staff, who generally feel their time is better spent helping patients. The result? Risk is managed poorly there as well, with adequate supplies unaccounted for by either an inventory management system or a responsible party on staff.

Ultimately, neither Pfizer nor Amphastar have given a firm date of resolution for the shortage. Some formulations could be back in stock in June, some in August. Until then, hospitals will simply be making do.

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