

September 2024 SUPPLY UPDATE EXECUTIVE SUMMARY

This Supply Update Executive Summary provides a quick look at the potential supply chain disruptors around the world. For complete supply details, [view the full Supply Update](#) available exclusively for our providers.

Tools to help you plan: New supply assurance program and latest Budget Impact Projections report

- Check out our [Vizient® Reserve program](#) to strengthen critical supply assurance through unique, committed partnerships among Vizient, providers and suppliers across all spend categories.
- The latest [Budget Impact Projections](#) report considers numerous components impacting global trade, economic trends and raw material/labor costs, and it uses expert insight from Vizient's category managers to provide projections on the healthcare supply chain. In addition, find four monthly material and manufacturing [briefs](#) on the same page.

Market conditions

- **Vyaire Medical** is in the process of multiple divestitures for the **respiratory diagnostics and ventilator business**. In 2023, Vyaire completed the sale of its respiratory consumables business to SunMed/Airlife. In August, Zoll Medical, a Vizient contracted supplier for ventilators, announced that it has agreed to acquire Vyaire's ventilator business and Trudell Medical, which does not have a Vizient contract, reached an agreement to purchase the respiratory diagnostics (RDx) business unit of Vyaire Medical.
- Work stopped for 17 hours after **Canada's two major freight railroads shut down** on Aug. 22, locking out more than 9,000 members of the Teamsters union that run the trains. The shutdown, due to unsuccessful negotiations, created a threat to the North American economy but the Canadian government acted promptly to end the work stoppage.
- Vizient continues to reach out to suppliers to determine the impact of the **Chinese tariffs** after urging the U.S. Trade Representative agency not to finalize them for medical devices and supplies, cautioning of potential supply chain disruptions that could result. On May 14, the [Biden administration announced](#) increased tariffs on \$18 billion of Chinese imports under Section 301 of the Trade Act of 1974. This will include [first-time tariffs](#) on Chinese imports of medical needles and syringes as well as semiconductors. Tariffs targeted to start in 2025 and 2026 will begin on Jan. 1 for those years. Some tariffs go as high as 50%.
- **East and Gulf Coast ports:** A potential strike at East and Gulf Coast ports in October threatens to disrupt the flow of goods across major ports like New York, Savannah and Houston. Importers are already routing cargo ships back to the West Coast – they were diverted from these ports in 2022-23 because of backlogs. Wage increases and automation opposition are sticking points, and union leaders are preparing for a strike if negotiations fail, saying they do not want to extend the current contract, which expires Sept. 31.
- Due to many factors, **wood pulp** prices have significantly increased since late 2023, with prices starting to increase again.
- Solid demand combined with rising ethylene prices will impact **resin prices** over the next few months, Ethylene is used to make highly used resins in the medical industry.

Recovering categories

Adhesive drapes, facial protection, fetal spiral electrodes, hemodynamic monitoring, monitoring electrodes, Olympus endoscopy equipment, PEG tubes, sharps containers, tracheostomy tubes, and surgical drapes, gowns and standard packs

Updates by category

Medical, surgical and integrated logistics

- 3M convective air warming Bair Hugger **Warming Blankets** continue to have extended lead times with updates provided, while **Bair Hugger Gowns** have healthy stock.
- In **core microbiology**, Becton Dickinson (BD) reintroduces BACTEC Lytic Anaerobic Medium in glass in early September and asks all current users to request a sample for the glass bottles as soon as possible.
- The U.S. Food and Drug Administration (FDA) has alerted healthcare providers to stop using Medtronic neural integrity monitor (NIM) contact electromyogram (EMG) reinforced **endotracheal tubes** and NIM (standard) EMG reinforced endotracheal tubes.
- Cardinal is removing certain Monoject Luer lock and **enteral syringes** that have a medical device correction recall. In June, Cardinal began distributing Monoject syringes branded as "Cardinal Health Monoject syringes" with different dimensions and manufacturer.
- 3M is experiencing back orders for 24750 – **fluid warming irrigation set**, 10/cs, with recovery anticipated in September.
- Mead Johnson expects supply chain disruptions in **infant formula** supply and sampling over the next month or two after a tornado struck its Indiana warehouse of finished goods. Mead Johnson asks that providers purchase directly from it.
- The FDA is warning not to use recalled saline (0.9% sodium chloride) and sterile water medical products made by Nurse Assist and sold under various brands. ICU Medical also continues to experience intermittent shortages of **irrigation solutions in sterile water** at least through Q4; plans are to fully transition to alternative SteriCare irrigation by Q1 2025.



To learn more, please contact
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As the nation's largest provider-driven healthcare performance improvement company, Vizient provides solutions and services that empower healthcare providers to deliver high-value care by aligning cost, quality and market performance. With analytics, advisory services and a robust sourcing portfolio, we help providers improve patient outcomes and lower costs.

- The latest recovery updates are available for Philips back orders on several **noninvasive ventilator products** due to testing validation; some products are now in stock and ready to ship. Alternatives are provided.
- Rolling back orders are possible for Cardinal **open suction catheters** because of manufacturing delays on select products due to raw material packaging shortages; Nurse Assist's recall of **small sterile water bottles** used in some open suction kits has affected the respiratory open suction category. The FDA has also issued an [FDA safety communication](#).
- On May 16, the FDA updated recommendations and advised providers to immediately transition away from using **plastic syringes** manufactured by several China-based manufacturers: Jiangsu Caina Medical Co. Ltd., Jiangsu Shenli Medical Production Co. Ltd., Shanghai Kindly Enterprise Development Group Co. Ltd. and Zhejiang Longde Pharmaceutical Co. Ltd. On April 24, it also issued a [warning letter](#) that describes violations related to the sale and distribution of unauthorized plastic syringes made in China for Cardinal. The initial alerts started in March. Find complete details and the latest mitigation strategies [here](#).
- An updated list is available for 3M **skincare** products placed on manual allocation as a result of high demand.
- Cardinal CRD canisters are fully recovered; Flex and Guardian are on allocation, with February 2025 recovery expected. Vizient maintains a [Category Resource Guide](#) for **suction canister systems** and accessories, providing market landscape details, manufacturing insights, logistic insights, utilization insights and advice on building supply assurance.
- Ansell is experiencing intermittent back orders on several Novaplus® **surgical gloves**; Ansell and Novaplus alternatives are available. Recovery has been pushed to the next few months.
- Due to a supplier component shortage caused by increased demand, BD has rolling back orders on two sterile and one non-sterile **Chloraprep** applicators; all Chloraprep applicators are on manual allocation.
- 3M has increased **transparent dressing** products on back order; September/October recovery is anticipated. Several products have recovered. Alternatives are available.

Medical devices and physician preference items

- After Integra issued a voluntary medical device recall for PriMatrix, SurgiMend and Revize **biologic surgical mesh** products, a third-party inspection resulted in unexpected findings with back orders expected through Q1 2025; alternatives may be available.
- On June 3, the FDA posted a [Class I recall for Teleflex/Arrow International's FiberOptix and UltraFlex Intra-Aortic Balloon \(IAB\) catheter kits](#) distributed between May 7, 2022, and April 8, 2024. In response to an FDA May 8 letter [alerting providers of continued safety and quality concerns](#), Getinge is pausing promotional activity of the Cardiohelp. The letter also included Getinge/Maquet/Datascope Cardiosave Hybrid and Rescue Intra-Aortic Balloon Pump (IABP) devices. Teleflex is the only alternative manufacturer of IAB pumps in the U.S. Vizient is also working on cross-references for alternative manufacturers of **extracorporeal membrane oxygenation** (ECMO), Fresenius, Abbott, Spectrum and Nautilus/Medtronic.
- In **tourniquet cuffs**, Stryker is shipping and stocking 93% of its historical volume; updated status includes cleared back orders.

Capital

- Hologic has halted production of **localizer applicators** as part of the FDA approval process for 14 g localizer; no estimated recovery date has been provided. Hologic will still accept orders for probes and readers
- Due to multiple product recalls for other suppliers within the market, Natus is experiencing increased demand with back orders for **cranial access kits** and **cerebrospinal fluid (CSF) external drainage kits**, and continues on manual allocation.
- Philips is experiencing manufacturing challenges with a number of **ventilator airway adapter** codes resulting in product back orders, with anticipated recovery extended to the end of Q3.

Facilities and construction

- Find the latest up-to-date information affecting facilities and construction in the [Facilities and Construction Market Insights](#).

Food

- **Abbott Nutrition** continues recovery from product out-of-stocks for the 8 oz Abbott Recloseable Container (ARC) **medical nutritional** products due to a disruption of its production lines in August 2023; Vital product line has ingredient sourcing challenge and is unavailable until November; Abbott will permanently discontinue several products. At **Nestle**, most products have recovered; Vivonex Pediatric will have an extended out-of-stock period; some products may also experience low inventory regionally; several products will also be discontinued permanently.
- The **orange juice** shortage persists thanks to natural disasters and disease. Brazil, one of the world's largest producers, is expected to have one of the lowest orange harvests in almost three decades; Florida also continues to experience dwindling production. This has resulted in all-time high prices in late May and June. Vizient suppliers have reported shortages and/or allocations. Alternative juices or fruit should be considered.
- Find the latest up-to-date information affecting food assurance in the [Food for Thought – Supply Chain newsletter](#).

Pharmacy

- The **Pharmacy Market Outlook Summer 2024** is available, providing a forecast with actionable information for your 2025 pharmacy planning.
- Find the **last four weeks of the drug shortage digest** on the pharmacy resources tab at the bottom of the Vizient Assurance webpage [here](#) (make sure you're signed in).