



L.A. Care
HEALTH PLAN

For All of L.A.



Southern California Personal Protective Equipment (PPE) Consortium Program Overview

Due to the COVID-19 pandemic and the resulting economic recession, high demand for Personal Protective Equipment (PPE) created a severe supply shortage. PPE prices increased dramatically and medical providers were forced to compete with each other for limited availability. While conditions have greatly improved, it is important that we plan and prepare to ensure that this does not happen again.

To prepare for the next disaster and the possibility of disrupted international supply chains, we are building a team of forward thinkers, including L.A. Care Health Plan (L.A. Care) and Hospital Association of Southern California (HASC) to invest in ensuring our region’s ability to produce the necessary PPE for our valued health workers. After evaluating numerous manufacturers, we are pleased to announce that we have selected a highly qualified vendor to provide quality, competitively priced PPE supplies in Southern California counties for normal routine consumption, surge capacity, and stockpiling reserve.

Our ultimate objective is to bring local PPE manufacturing to Southern California. To do this, we need your help. We invite to you to join the team dedicated to the resiliency of our region -- we cannot do it without you and your peers coming together. **We are calling upon our health care leaders to commit to purchasing a portion of their normal PPE inventory through this collaborative effort**, in order to make this venture a reality. There are two ways to participate, described below.

Solution Strategies

Letter of Agreement (LOA)	Master Purchasing Agreement (MPA)
<ul style="list-style-type: none"> • Short-term solution that enables buyers to purchase now • Can purchase direct from Supplier or coordinate procurement through preferred distribution channel • Direct purchasing will ensure lowest price available and include delivery of all orders • Purchases through distribution may incur added service charges to be negotiated between hospital and distributor • Agreement template available for buyers to use and execute terms with Supplier • Consortium experts available to help facilitate agreement 	<ul style="list-style-type: none"> • Long-term solution led by Consortium and Supplier • Through MPA, hospitals/buyers sign up and begin purchasing PPE at competitively priced fixed negotiated rate • Can purchase direct from Supplier or coordinate procurement through preferred distribution channel • Direct purchasing will ensure lowest price available and include delivery of all orders • Purchases through distribution may incur added service charges to be negotiated between hospital and distributor • Consortium team will manage contract annually

*All purchases through LOA and MPA will contribute to overall volumes required for initiating Southern California manufacturing plant

*Total purchases will be tracked by Consortium and reported to participants on an annual basis

Our manufacturer plans to establish local PPE production once volume reaches a sustainable level. Our vendor will begin:

- Converting high demand PPE in Southern California when annual revenue of all PPE purchases through Consortium Participants reaches a minimum of \$25m for three consecutive years or \$75m in one year
- Extrusion operations as part of converting operations in Southern California when annual revenue of all PPE purchases through Consortium Participants reaches a minimum of \$50m for two consecutive years or \$100m in one year

Next Steps

- Commit to program by contacting the supplier, to accept samples and place orders through LOA
- Once MPA is in place, sign up and continue to purchase a portion of your PPE inventory through this program

Quality of PPE: All PPE products are FDA approved, ASTM rated and widely available to the health care industry

PPE Pricing: See additional documents for entire PPE catalog.

If you have any questions about the above information shared, please email SoCalPPE@lacare.org.