

Building collaborations in supply chain management and purchasing

GS1 Spain

COVID-19 has turned the spotlight on healthcare supply chains

When a medical item (i.e. a cancer drug) necessary for the protection of health is affected by exceptional supply difficulties, governments may temporarily establish centralised supplies to ensure its better distribution. This has been seen in many countries during the COVID-19-pandemic, such as Spain, where the Government attempted to centralise health purchases as part of a national response to the coronavirus pandemic. Spain is one of the countries within the EU mostly greatly affected by COVID-19. One of the unique aspects of the Spanish health system is the fragmentation linked to the country's 17 autonomous regions; each of which leverages its own jurisdiction over the organisation and delivery of (public) health services within the territory. Thus, taking a coordinated response to supply chain issues stemming from the coronavirus pandemic posed a particular challenge.

Spain's supply management challenge

Although the Spanish Government intended to channel the central purchase of health materials and equipment, in view of the urgency of the pandemic, different Autonomous Communities in Spain decided to go "alone" to the market (mainly China) to acquire the necessary medical products needed to respond to the crisis within their respective territorial areas. In this scenario, autonomous healthcare systems across Spain were forced to operate under 'new' purchasing conditions greatly different from those which typically govern ordinary public purchasing procedures. Changes to 'normal' conditions included:

- Requirement of advance payment by suppliers or compliance with contracts.
- Uninsured or partial deliveries (without control by the contracting entity).
- No guarantee about the effectiveness and quality of the material to be acquired.

Different administrations (central and autonomous) went (out of necessity) in competition and separately to a complex, volatile market for medical equipment, resulting in differences in the quality of supply purchased, resulting in care inequalities.

Transitioning to a 'new' way of working

GS1 Spain, as part of the global GS1 standards organisation, is part of a broad global network of experts in logistics. During the pandemic, GS1 Spain acted as the backbone of the needs and difficulties that public buyers in the Autonomous Communities were having. GS1 Spain identified a lack of support for Spanish public buyers' concerns about how – during the pandemic – to navigate this complex purchasing environment. As such, GS1 Spain adopted an impartial role, working across different sectors, taking actions such as:

- Acting as a 'mediator' between its members and the different administrations, including the Ministry of Health – with whom GS1 Spain coordinated actions to resolve doubts in the requirements applicable to medical devices and offered to collaborate for the purchase of critical healthcare materials. Enterprises not necessarily in the healthcare sector but who could offer support or solutions for importing PPE from countries outside the EU were sought amongst GS1 Spain's broader membership.
- Providing impartial guidance through a dedicated online platform on the application of new Ministerial Decrees relating to centralised supply, and requirements required for the importation of medical devices (including diagnostic tests) and PPE.

Looking forward

COVID-19 revealed a need for an impartial forum in Spain to enable and allow good practices regarding supply and logistics to be centralised and shared amongst different stakeholder groups, and the supply needs of personal protection material to be channelled, ensuring consistency in the quality of suppliers, products and logistics.

Building on this need, GS1 continues to work directly with Spain's Autonomous Communities on digital and sustainability projects, such as improving the quality of master data information for e-procurement of healthcare and pharmaceutical suppliers, to that Spain's decentralised healthcare system delivers high-quality patient care during the COVID-19 pandemic.