



NEWS RELEASE

Premier Inc. Survey Finds 86 Percent of Health Systems Are Concerned About Personal Protective Equipment Shortages Due to Coronavirus

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- Personal protective equipment (PPE), including gowns, gloves, face shields and face masks, are essential for health systems to manage respiratory illness such as the coronavirus (COVID-19).
- About 80 percent of PPE comes from Asia, where many nations have stopped exports.
- Premier is working with distributors to prevent hoarding and encouraging health systems to initiate conservation protocols to stretch PPE supplies on hand.
- Survey results represent a moment in time and could change rapidly as supply chain realities shift.

CHARLOTTE, N.C.--(BUSINESS WIRE)-- **Premier Inc.** (NASDAQ: PINC) today released survey results finding that 86 percent of U.S. hospitals and health systems are concerned about their supply of face masks and other personal protective equipment (PPE) as the global spread of the COVID-19 coronavirus strains the supply chain.

According to Premier's purchasing data, hospitals and health systems across the United States typically buy 22 million N95 face masks a year. However, during the months of January and February, demand for N95s surged, up 400 percent and 585 percent, respectively, largely fueled by a heavy flu season and forward buying in anticipation of a coronavirus outbreak in the United States. The levels of demand suggest a minimum consumption rate of 56 million masks in 2020, nearly a three-fold increase in demand when compared to a typical year.

According to data collected by Premier from distributors, most healthcare facilities currently receive just 44 percent of the N95s and 82 percent of the surgical masks they order. Domestic and near-shore suppliers of PPE have increased production and are on track to produce an estimated 60 million masks this year. However, reaching that production level will take between 30 and 60 days.

Because of the domestic backorders and the sharp reduction of imported goods, 36 percent of respondents to the Premier survey are preparing for broad-scale PPE shortages, and 54 percent have initiated PPE conservation protocols to stretch the supplies on hand. In addition, 46 percent of respondents say they are worried about how long current supplies will last.

“Sitting at the center of healthcare, helping manage more than \$61 billion in healthcare spend, Premier serves as an early warning system for the supply chain,” said Premier’s President, Michael J. Alkire. “We have provided these survey results to the U.S. Food and Drug Administration and the Centers for Disease Control and Prevention to help them better understand the current situation and prepare our nation’s response to coronavirus. We also continue to provide daily updates to our members, as well as assistance in obtaining necessary supplies on an as-needed basis. Because this situation is rapidly evolving, we encourage all hospitals and health systems to initiate conservation protocols to protect stock on hand and refrain from panic-buying that can further strain the supply chain.”

About 80 percent of all PPE manufactured globally comes from Asia, where nations such as China, Taiwan, Thailand, India and South Korea have all stopped exporting products, a situation expected to continue through April, if not longer. While masks are expected to be in short supply for some time, Premier’s S2S Global direct sourcing company is ramping up inventory on hand for disposable protective apparel such as isolation gowns and gloves in anticipation of increased member demand.

“Many PPE supplies are heavily backordered and global shortages exist for specific products such as N95 masks,” said David A. Hargraves, Premier’s Senior Vice President of Supply Chain Services. “So far, our members, with our support, have been able to work with manufacturers and distributors to mitigate many issues. But supply is unquestionably strained and health systems are going to extraordinary lengths to provide essential healthcare for their communities. Our data shows Premier members have at least two weeks of supply on hand, but that’s only if we assume current utilization rates. That number will quickly balloon if we have a domestic outbreak of coronavirus, as the Department of Health and Human Services says **as many as 300 million N95 masks** will be required for healthcare workers.”

To help members understand the latest state of the supply chain, Premier continues to maintain a members-only disaster response online community, posting daily updates with guidelines and recommendations to best manage and conserve product. Premier also provides the most up-to-date scientific documents, resources and tools needed to manage coronavirus cases through the **Premier Safety Institute**.

For health workers managing current or suspected coronavirus cases, Premier’s **clinical surveillance technology** can be used to create real-time alerts of probable coronavirus cases, initiate intervention protocols and track

secondary exposures.

Survey Methodology

Premier's survey was conducted from Feb. 18 - Feb. 26, 2020, and sent to a representative portion of the Premier membership. Approximately 300 hospitals provided responses. Additional information on backorders and ordering patterns was also collected from national med-surg distribution companies, as well as Premier's own purchasing data.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,000 U.S. hospitals and health systems and approximately 175,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com; as well as [Twitter](#), [Facebook](#), [LinkedIn](#), [YouTube](#), [Instagram](#) and [Premier's blog](#) for more information about the company.

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