

Simplifying a Complex World

Redesigning CDC's Pediatric Vaccine Supply Chain

The National Immunization Program is responsible for managing more than half of the nation's pediatric vaccine supply, representing more than \$1.3 billion in purchases annually.

Established more than a decade ago, the program grew in complexity and costs, and more important, hampered the ability to respond quickly to changes in vaccine supply and demand balance.

A Complex Starting Point

- Unmatched public good responsibility
 - Program serves 60% of U.S. children
 - ... through 44,000 care providers
- Fragmented and unleveraged supply chains
 - 64 independent distribution systems
 - some required providers to travel to their local health department to get vaccines
 - 64 different ordering models
- Complex funding mechanisms, involving multiple rounds to 64 different grantees
- Intricate manual and paper-based processes
- Generally high levels of inventory
- Limited ability to redeploy in crises

In late 2003 the Centers for Disease Control and Prevention (CDC) engaged Booz Allen Hamilton to develop recommendations for improving efficiency and accountability, while generating cost savings on this program.

Simplified Model

Distribution/Inventory Management

- Centralized commercial distribution, leverages distributors and consolidates inventories

Provider Ordering/Vaccine Accountability

- Web-based ordering tool
- Projects retain overall program control through established business rules

Funds Management

- Funds allocated to handful of manufacturers' contracts instead of using complicated grants process
- Project spending monitored against aggregate provider uptake

Applying leading commercial and governmental practices, the team conducted a comprehensive review and analysis of vaccine management activities at the federal, state and local levels. The team involved all stakeholders in the complex vaccine supply chain, including manufacturers, third party distributors, state and local health departments and medical providers.

Within 12 weeks, the joint team had built a solid understanding of the current supply chain processes and developed a set of near-term recommendations for several processes, including tendering, ordering, distribution, inventory management, funds management and vaccine stockpile.

Another part of the team developed systems to enhance vaccine accountability and process efficiency by automating VFC vaccine inventory control and immunization procedures.

Concrete Results For Our Clients

- New Supply Chain Model
 - Advantage of significant scale of the program
 - Dramatically more efficient and less fragmented
 - Enhances public health by providing much-needed visibility of the product
- Great Financial Return
 - One-time inventory savings, in addition to ongoing operational savings
- Implementation Assistance
 - Program management
 - Stakeholder management with over 44,000 medical providers, state and local governments, partner groups, etc.

When the multiyear change effort is implemented, CDC will have a new, simpler operating model for distribution and administration of U.S. public pediatric vaccine supply. For the first time, the CDC will gain visibility of the critical vaccines that are distributed across the country – and have additional resources to redirect to other critical public health needs.

For more specific information please contact:

- Narayan Nallicheri at (415) 627-3382, nallicheri_narayan@bah.com
- Robert Hutchens at (212) 551-6499, hutchens_robert@bah.com
- Muir Sanderson at +44-20-7393-3259, sanderson_muir@bah.com

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