



Legislative Status Report: House Bill 4068 (2022)

Submitted to the House Interim Committee on Veterans and Emergency Management

BACKGROUND

House Bill 4068 (2022) directed the Oregon Homeland Security Council, in collaboration with emergency management agencies, Oregon Department of Emergency Management and Oregon Health Authority, to develop a Critical Disaster Preparedness Stockpile plan for providing access to a stockpile of supplies and equipment for use in emergencies. The bill directs the inclusion of all-hazards emergency surge supplies, communicable disease testing equipment, personal protective equipment, and raw materials for manufacturing personal protective equipment that can be deployed on a regional basis.

IMPLEMENTATION PROGRESS

The Oregon Homeland Security Council will meet in early May 2023. Oregon Department of Emergency Management and Oregon Health Authority have begun program development and planning efforts in coordination with local, tribal, state and federal emergency management partners. The council will be updated on the status of the Critical Disaster Preparedness Stockpile Plan and provide guidance about the development of the plan during upcoming meetings.

The stockpile and staging base coordinator position created during the 2022 legislative session is open for recruitment by Oregon Department of Emergency Management. Position development took approximately six months, with the final approval of the position classification and description occurring in February 2023. Recruitment for the position was initiated in March 2023 and is expected to conclude in May 2023. Position recruitment may be extended if the recruitment is unsuccessful and additional application periods are required to fill the vacancy. When the position is filled, the coordinator will lead the development of a statewide logistics, resource management and staging base program that supports needs identified by emergency management partners.

The statewide logistics, resource management and staging base program will include the Critical Disaster Preparedness Stockpile directed by House Bill 4068 and incorporate grant-funded assets, such as equipment purchased through the State Preparedness and Incident Response Equipment (SPIRE) grant program, in collaboration with grant managers and emergency management partners. Successful program development and management will depend on the availability of personnel and storage facilities, as well as access to an inventory management system that ensures continuity during disasters of varying types and magnitudes.

The Oregon Health Authority has developed concepts for a health and medical stockpile that will integrate with the statewide logistics and resource management program and Critical Disaster Preparedness Stockpile. The health and medical stockpile will contain consumable medical supplies, such as personal protective equipment and medical equipment; and pharmaceuticals, such as medications and vaccines, to provide support for communities and healthcare facilities during public health emergencies that cause local supply shortages.

Health and medical stockpile management will include maintaining medications within U.S. Food and Drug Administration potency shelf-life limits; conducting routine quality assurance for all products; routinely inspecting environmental conditions, security and package maintenance; ensuring holdings are based on the latest scientific data and threat levels; and ensuring the ability to transport items during a public health emergency. Oversight of the stockpile will be led by Oregon Health Authority — with support from a formulary advisory group that provides input about pharmaceuticals or products to keep in stock — and through quarterly surveys of and reports to stakeholders.



BUSINESS MODELS

The Critical Disaster Preparedness Stockpile, including the health and medical stockpile, will follow one or more business models selected through input from emergency management partners and guidance by the Oregon Homeland Security Council. Potential business models include:

- State-owned or state-leased warehouses managed by state personnel.
- Outsourcing warehousing, handling and shipping functions to a professional logistics service in the private sector.
- Local or regional caches managed in collaboration with state, local, and tribal emergency management partners.
- Vendor-managed inventory, through which multiple vendors fulfill contracts to maintain designated quantities of products in the stockpile and rotate stocks as part of sales to other clients.
- Contract for the right of first refusal, through which manufacturers guarantee first access to production during emergencies.

IMPLEMENTATION CONSIDERATIONS

Oregon Department of Emergency Management and Oregon Health Authority are identifying potential barriers to developing and implementing the Critical Disaster Preparedness Stockpile. Current key resource concerns include the lack of a statewide logistics and resource management system within the state emergency management structure that could support a stockpile; and limitations in agencies' capacities to develop a comprehensive stockpile plan and maintain the stockpile efficiently to ensure the availability of quality supplies during disasters. Currently, no state agency has funding that is not dependent on federal grants for stockpile management. Vulnerabilities in the global supply chain also will influence the implementation of the stockpile plan, pending available funding to purchase supplies, equipment and other materials selected to be included in the stockpile.

In addition, the health and medical stockpile will face challenges with investments, as the business foundations of all types of healthcare organizations will affect abilities to purchase large quantities of supplies and equipment needed in primarily rare situations. Surging production of materials in public health emergencies has limited value because of the time required to increase production, competition from other states and markets at the same time, and limited in-state production capacity in Oregon.

RECOMMENDATIONS

Recommendations for addressing identified barriers to the development and implementation of the Critical Disaster Preparedness Stockpile program include:

- Designating Oregon Department of Emergency Management as the lead agency for managing the Critical Disaster Preparedness Stockpile, in alignment with the state emergency operations plan.
- Developing and implementing a statewide logistics and resource management system, including an inventory management system that ensures continuity, led by Oregon Department of Emergency Management in alignment with the state emergency operations plan and in collaboration with local, tribal, state and federal emergency management partners.
- Identifying additional personnel needed for Oregon Department of Emergency Management, Oregon Health Authority or other state agencies to support management of the stockpile.
- Identifying sources of funding for approximately \$20 million to establish the Critical Disaster Preparedness Stockpile and ensure longevity in stockpile operations and maintenance.
- Collaborating with Department of Administrative Services to identify solutions and establish monitoring for vulnerabilities in the global supply chain once the final desired stockpile inventory is identified.

NEXT STEPS

The Oregon Department of Emergency Management will:

1. Fill the vacant staging base and stockpile coordinator position in 2023.
2. Lead the development of an integrated stockpile plan to address local, tribal and state needs, with a target completion date of June 2024.
3. Collaborate with Oregon Health Authority and other emergency management partners to develop a stockpile program funding proposal for the 2025-2027 biennium.