EUROPE HAS A RESILIENCE POLICY. BUT DOES EUROPE HAVE A RESILIENCE MODEL?

HCI HEALTHCARE CHAIN INSTITUTE

www.healthcarechaininstitute.org

Closing the Inventory Reserve Design Gap in Critical Medicines

THE GOAL

An optimal, affordable, sustainable and patient-centred inventory reserve architecture for Europe.

WORKING TOGETHER

Patients · Healthcare Systems & Professionals · Industry & Supply Chain · Policymakers · Society

ENABLING RESILIENCE

Dynamic Stock Allocation · Rotational Stockpiling · European Voluntary Solidarity Mechanisms

ONE SHARED PURPOSE

Better outcomes for patients. A more resilient Europe.

JOIN THE HCI

Help shape Europe's future inventory reserve model

01 The New Era of Medicines Security

Why a new approach to medicines supply resilience is no longer optional.

- Rising geopolitical and climate risks
- More frequent and severe supply disruptions
- Critical medicines are essential for health security

KEY TAKEAWAY
Resilience is now a strategic requirement.

02 Europe's Resilience Response

Europe has recognised why resilience matters, but the model is not yet complete.

- **Critical Medicines Act** — Resilience obligations and solidarity mechanisms
- **Pharmaceutical Legislation** — Shortage prevention, transparency and notification
- **rescEU** — Strategic reserves for emergencies
- **National Initiatives** — Diverging approaches across Member States

KEY TAKEAWAY
Policy is advancing, but alignment on the model is still missing

03 The Reserve Design Challenge

How do we build inventory reserves that work?



KEY TAKEAWAY
There is no accepted methodology for comparing these options.

04 Seven Questions We Need to Answer

Critical decisions are being made without a common framework

1. What volume of medicines to hold in reserve?
2. Where should reserves be held?
3. How much resilience is enough?
4. Does one model fit all medicines?
5. What is the least-cost route to resilience?
6. Do national reserves strengthen or weaken Europe?
7. How should resilience be measured?

KEY TAKEAWAY
Europe needs a common framework to guide decisions

05 The Cost of Getting it Wrong

Poorly designed reserve policies can be as damaging as insufficient reserves

- **Patients** — Continued shortages, unequal access, delayed treatment
- **Healthcare Systems** — Time lost fighting shortages; lower productivity and resilience
- **Industry and Supply Chain** — Higher costs, duplication and compliance burden
- **Policymakers** — Inefficient investment, fragmented systems
- **Society** — Waste, higher emissions, public money misspent

KEY TAKEAWAY
The cost of getting it wrong is high – financially, operationally and socially.

06 Towards a Layered Inventory Reserve Architecture

Shortage prevention requires a layered, not singular, reserve approach.

- **Strategic Reserves** — Protect against major public health emergencies
- **Emergency Reserves** — Rapid release under predefined triggers
- **Contingency Stocks** — Safeguard continuity during disruptions
- **Operational Buffer Stocks** — Absorb routine day-to-day demand variability

KEY TAKEAWAY
A tiered reserve architecture will deliver better outcomes than any single mechanism.

07 Building the Framework for Strategic Inventory Reserves

Europe needs a common framework before it decides what to build



KEY TAKEAWAY
A common, evidence-based framework is needed to guide investment and implementation

08 What Good Looks Like

An effective inventory reserve architecture delivers benefits for patients, society and the economy

- **Patients** — Improved availability, continuity and outcomes
- **Healthcare Systems** — Less firefighting, greater productivity and resilience
- **Industry and Supply Chain** — Lower working capital, less friction, greater flexibility.
- **Policymakers** — Demonstrable resilience and value for money
- **Society** — Lower environmental impact, more equitable access, greater public value

KEY TAKEAWAY
Resilience should be measurable, affordable and sustainable.

09 The HCI Inventory Reserve Architecture Programme

A phased programme to build the evidence base and define Europe's future inventory reserve model.

- **Define the challenge** — Raise awareness and agree on the key questions
- **Evidence and analysis** — Evaluate options, trade-offs and priorities
- **Architecture framework** — Define options and identify evidence gaps
- **Investment case and consortium formation** — Prepare the foundation for a European implementation programme

KEY TAKEAWAY
Evidence today. A practical framework for tomorrow. Implementation to follow.

10 Europe's Billion-Euro Resilience Question

Substantial investment in resilience is underway, but there is no common framework to guide those investments.

Significant investment in resilience is underway

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No agreed framework to guide investments

Better decisions · Better investments · Better outcomes for patients

KEY TAKEAWAY
Europe has a resilience policy. The next step is building a resilience model.

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