Three Ways to Avoid PPE Scams

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Among the challenges brought on by the coronavirus pandemic is the unprecedented demand in PPE which has led to an <u>increase in counterfeiting</u>, <u>price gouging and fraud</u>. Falling for these scams can cost hospitals and other providers time and money, while still leaving their need for medical supplies unfulfilled.

In times of record levels of demand, it is natural that hospitals would do everything possible to procure product. Yet doing this can actually make problems worse by incentivizing other unreliable brokers to get into the marketplace. The best solution is for manufacturers, distributors and providers to work together in addressing product shortages.

<u>Stories abound</u> across the industry of providers that have been disappointed and, in some cases, <u>defrauded by new PPE brokers</u>. Fortunately, with a few common-sense steps, hospitals can avoid PPE scams.

- 1) Watch for red flags. When approached with offers from unfamiliar sellers, recognize the red flags that could indicate fraud:
 - Offers that are "too good to be true";
 - Promises of large, unrealistic volumes of products not otherwise available;
 - Guarantees of immediate delivery in an otherwise backlogged marketplace;
 - Requests for advance or urgent payment.
- 2) Proceed with caution when vetting offers from unfamiliar sources. Any situation where demand exceeds supply can attract inexperienced, unreliable sellers looking to make a quick dollar. If the authorized distributor and the product's manufacturer are experiencing constrained supplies, then providers would be well-served in proceeding with extreme caution with new third-party sources.
- 3) Procure from authorized distributors or the original manufacturer. By far, the best way to avoid buying fraudulent PPE is to procure it from authorized distributors or the original manufacturers. Healthcare distributors play a critical role in vetting suppliers and ensuring access to quality, FDA-approved products. In 2020, distributors vetted and distributed 1200% more N95 respirators to providers than in 2019. In times of unexpected demand, distributors can use their experience and experts to identify appropriate product substitutions or use allocation systems to ensure product availability where it is needed most.

Hospitals can also help respond to product shortages by being flexible. Trusted healthcare distributors can help providers focus on critical product requirements, and identify and evaluate acceptable product alternatives. Hospitals should also recognize the drawbacks of attempting to stockpile during times of product shortages. Stockpiling at such times can put product needed on the front lines onto back shelves. It can also contribute to further product shortages, increasing the incentives for fraudulent brokers.

Hospitals have more than enough challenges to manage during typical times, let alone during a pandemic. It is critical that they remember the best ways to avoid expensive and risky PPE scams that will only make their problems worse.