Pandemic pivots Ochsner Health to new role: PPE manufacturer

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Ochsner Health has long been an innovator in patient care and is recognized as an early adopter in digital health tools such as telehealth and smartphone apps. Now its pioneering spirit is taking the Louisiana health system in an entirely different direction: manufacturing.

Specifically, Ochsner Health is starting a new business to make personal protective equipment (PPE). Not only will Ochsner be making gloves, gowns, masks and N95 respirators, it will manufacture the materials used to make those items, such as the liquid nitrile needed for gloves and the spunbond meltblown spunbond (SMS) laminate fabric needed to make masks, gowns and bouffant hair covers.

Ochsner and Alabama-based construction contractor and property developer Trax Development started a joint venture, SafeSource Direct, with $150 million. SafeSource is putting $73 million toward retrofitting an 80,000-square-foot manufacturing facility that will also serve as a headquarters, and $77 million is going for the development of a new facility.

Ochsner, a member of the AMA Health System Program, was also an early witness to the ravages of COVID-19 as it surged through New Orleans, New York and Seattle.

“The demand for PPE became ten-, 20-fold, which is why we had to pivot really quickly to different solutions,” said Régine Villain, MPH, Ochsner’s chief supply chain officer.

Ochsner also received donated PPE from the community. Local distilleries made alcohol-based hand sanitizer. Noted New Orleans fashion designer, NOLA Couture, made gowns and masks.

“There were nights that I was concerned, and to have that feeling like we might not be able to get our hands on supplies was very scary and concerning,” said Katherine Baumgarten, MD, Ochsner’s medical director of infection control and prevention. “Fortunately, we were never in that situation because of our great supply chain team.”
Seeking control of PPE supply

The “aha moment” came when Ochsner leaders decided enough was enough.

“We were sitting in the boardroom one day and looked at each other and said: You know what? This is insanity,” Villain recalled. “We really need to be in the business of making our own PPE to protect our team and take better control of our destiny.”

SafeSource was born out of that epiphany.

The venture is expected to create 2,200 new jobs making surgical tie-masks, bouffant hair covers, shoe covers, isolation gowns, procedure masks, N95 respirators and nitrile rubber gloves.

Products will meet high standards

The first product will be nonmedical gloves and they should be available by the end of the year, Villain said. After refinement and Food and Drug Administration 510(k) clearance, medical-quality gloves will be produced.

SafeSource’s first customer will be the health system, along with its partners and affiliates.

“With Ochsner being the first customer, it has to meet our standards,” Villain said. “Then it’s open for anybody and everybody else.”

Ochsner is part of the group purchasing organization (GPO) Vizient, and the SafeSource products will be made available through the Irving, Texas-based GPO.

While the operation was born out of the COVID-19 pandemic, the PPE it manufactures will still be needed when the public health emergency is finally over.

“People realize that having to wait 35 or 37 days for a storage container to come overseas from Malaysia or from China is painful,” Villain said.
Dr. Baumgarten said she hasn’t heard any pushback over Ochsner heading in this untraditional direction.

There’s some “initial surprise,” she said. But then the reaction is often, “Who better to do it than us?”