

Drug and Medical Product Availability: Distributors Promote a Resilient Supply Chain

Product shortages, whether pharmaceuticals, healthcare products or medical supplies, are caused by many factors, including raw material sourcing difficulties, production disruptions or business decisions. Other times, as was the case during the initial COVID-19 response, shortages occur due to a sharp rise in demand exceeding available supply. Disruptions in product availability and strain on existing supply chains have underlined the need for solutions to ensure adequate supply for patients.

HDA healthcare distributor members work at both ends of the supply chain — between 1,500 manufacturers and more than 330,000 provider customers — to minimize disruptions for patients. Distributors help industry partners and customers understand the scope and duration of any shortage by communicating regularly about product availability.

As Congress and state lawmakers consider legislative proposals on how to improve supply chain resilience, mitigate supply disruptions and prepare for future emergencies, distributors offer significant logistics expertise and experience in responding to emergencies.



Distributors are Logistics Experts

Distributors ensure the safe, efficient and reliable delivery of approximately 95 percent of the medicines purchased in the United States. The industry saves the healthcare ecosystem up to \$63 billion annually through our core and value-added services.



Distributors Support a Resilient Supply Chain

Distributors monitor for spikes in demand or dips in availability for products and proactively communicate in real time with manufacturers and industry partners. Where necessary, the industry identifies substitute products for customers to meet patient needs.



Distributors are Trusted Trading Partners

As highly regulated and licensed wholesalers, HDA members are trusted business partners for hospitals, pharmacies, physician offices and long-term care facilities. Healthcare providers can trust the products supplied by HDA members are safe and legitimate, protecting patients from counterfeit or falsified products.



Distributors Have the Capacity and Expertise to Support Product Stockpile Expansion

Distributors have a network of distribution centers strategically located across the country to supply their customers. In times of crisis, distributors coordinate with a range of federal and state agencies to direct resources to where they are critically necessary. Continuous product cycling and management of product expiry is a core component of the service distributors provide and can be leveraged to supplement temporary supply disruptions as well as acute emergencies.



Distributors Offer Product Availability Solutions

Relying on an unconnected network of stockpiles by hospital systems, states and other parties may lead to inefficiencies in accessing and replenishing those products, even in shortages with brief durations. Using distributors to expand product availability leverages an existing national resource to meet patient needs, minimizing both long-standing disruptions in supply and guarding against future risk.

To support as many providers and patients as possible, individual distributors have long used allocation programs. Allocation programs account for the available supply and customer needs, limiting the amount that a single customer can purchase of an in-demand product to assure products are available to as many customers as possible.

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