



# Healthcare Distributors Drive Efficiencies and Cost Savings Across the Supply Chain

Distributors are the logistics experts of healthcare, primarily responsible for the physical handling of medicines and healthcare products.

## Deliver **10 Million** Medicines

Distributors safely and efficiently move millions of medicines and healthcare products each day ranging from common over-the-counter medicines to specialty products that require unique handling.

## Save the Healthcare System Up to **\$63 Billion** Annually

Distributors save the healthcare system billions of dollars annually by consolidating orders from multiple manufacturers, providing operational efficiency, leveraging their logistics expertise and deploying advanced technology.

## Operate on the Narrowest Margins in Healthcare — **0.3%**

Distributors' net profit margin was just 0.3 percent in 2023. This reflects the industry's relentless focus on driving efficiencies and increasing productivity.

## Represent **Less Than 1%** of Brand Medicine Spending

Distributors' services account for less than a penny of every dollar spent on brand medicines. In 2023, total spending on brand medicines was \$670.4 billion and wholesaler margin was \$5.7 billion – representing 0.8 percent of all spending, compared to the 42 percent of brand medicine spending that goes to rebates and fees from other supply chain entities ([Berkeley Research Group](#), 2025).



**Distributors have no role in determining the amount patients pay for medicines**, which medicines are included on formularies, benefit design decisions and reimbursement rates for dispensing pharmacies. What further distinguishes the industry from others in the supply chain is that **distributors take legal ownership, financial risk and physical possession of medicines.**

## Link 1,200 Manufacturers to 330,000 Sites of Care

Distributors streamline the supply chain from end to end. Without distributors, pharmacists would have to maintain relationships with each manufacturer, and vice versa, adding time and complexity to what is now a safe and efficient process.

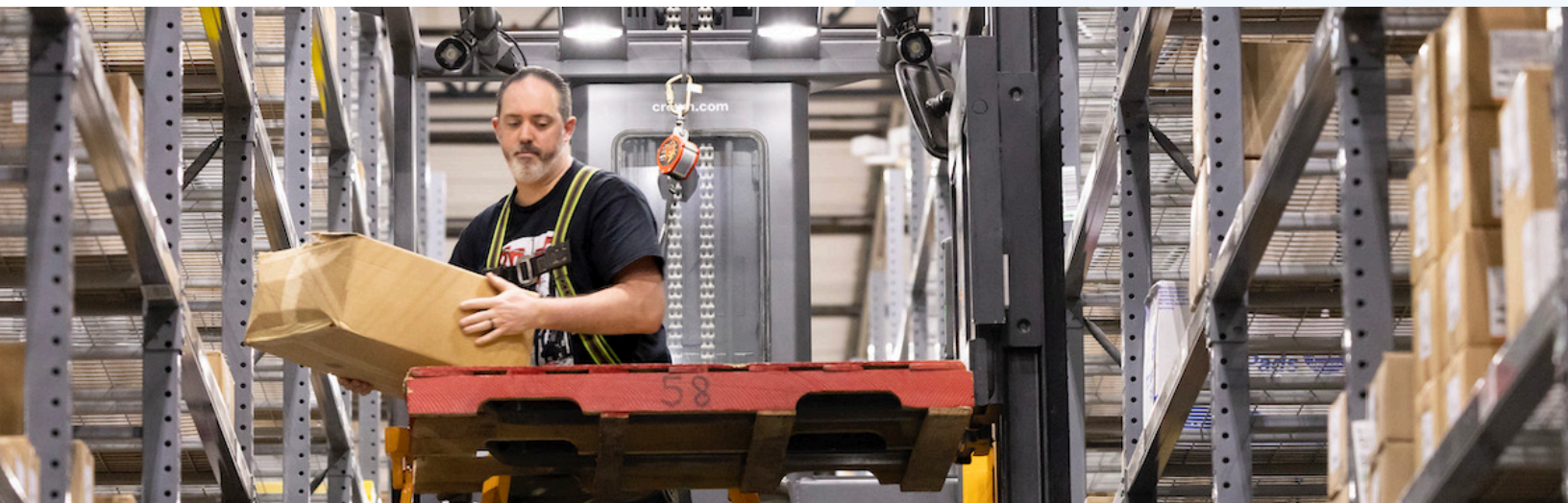
## Connect Care Across Communities

Distributors are united in a common purpose of delivering medicines, vaccines and healthcare products — and ultimately health — to communities all across America. Beyond their core role in distributing medicines, distributors provide several services across the continuum of care to empower community pharmacies and providers, support patient access, improve care and ultimately advance health outcomes.



## Services Included as Part of Wholesaler Margin Costs

- ✓ Buying
- ✓ Warehouse operations
- ✓ Pick, pack and ship functions, including [cold chain management](#)
- ✓ Delivery
- ✓ Information technology
- ✓ Contracts and chargeback reconciliation
- ✓ Administrative
- ✓ Carrying costs
- ✓ Customer costs
- ✓ Sales and marketing
- ✓ Security



**HDA and its members are committed to working with policymakers and others across healthcare to make the system stronger and more efficient for patients. Learn more at [hda.org/health-delivered](https://hda.org/health-delivered).**