



# Delivering Pharmaceuticals and Value to Healthcare



Pharmaceutical distributors are responsible for the safe storage and delivery of approximately 95 percent of medicines in the U.S. Moving medicines safely and securely from manufacturers to pharmacies and hospitals across the country is not easy, but an analysis from [Berkeley Research Group \(BRG\)](#) shows that HDA members do it every day for less than 1 percent of the cost of brand medicines<sup>1</sup> — something no other entity in healthcare can do.

## The Pharmaceutical Supply Chain: Gross Drug Expenditures Realized By Stakeholders

Berkeley Research Group

**\$670.4 B**

2023 Gross Expenditures for Brand Drugs

**\$5.7 B**

2023 Wholesaler Margin

**Less than 1%**

of distributors' margin relative to brand name drug expenditures

Distributors offer critical services to their customers beyond delivery, including information technology and data systems that help manage inventory and verify provider orders. Distributors also have strong capabilities to manage operational risks, such as identifying suspect and illegitimate products and assisting with recalls.

## Nearly 330,000 pharmacies, providers and sites of care

place orders for medicines with distributors.<sup>2</sup>

Each business day, distributors deliver approximately **10 million** essential prescriptions and healthcare products from more than **1,200 manufacturers**.



MANUFACTURER



DISTRIBUTOR



PHARMACIES/HOSPITALS



PATIENT

## Ensuring Safe, Reliable Delivery of Medicines Across the Country



### SAFETY

Distributors continuously monitor, protect and enhance the security of the pharmaceutical supply chain to ensure medicines are safely stored and efficiently delivered.



### TECHNOLOGY

Distributors go to great lengths to deliver a wide range of medicines where and when they are needed — regardless of the circumstances.



### EFFICIENCY

Every day, distributors deliver millions of prescription medicines and healthcare products to hundreds of thousands of providers across the country.

Research shows that distributors provide up to **\$63 billion** in cost savings to the U.S. healthcare economy each year.<sup>3</sup> Further, just-in-time delivery saves pharmacies and hospitals millions of dollars annually by not requiring them to carry extensive inventories.

**Cost-effective delivery also helps the healthcare system save money** by ensuring that patients and providers are able to access the medicine they need when they need it.

<sup>1</sup> Berkeley Research Group, *The Pharmaceutical Supply Chain: 2013–2023*, January 2025.

<sup>2</sup> HDA Research Foundation. *95th Edition HDA Factbook: The Facts, Figures and Trends in Healthcare*. 2024.

<sup>3</sup> HDA Analysis, 2022.



Healthcare Distribution Alliance

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