



Economic Impact of Healthcare Distributors in the United States

September 2025



Executive Summary

This report quantifies the economic impact of healthcare distributors in the United States. Healthcare distributors are logistics and efficiency experts who serve as the vital link between manufacturers of lifesaving medicines and medical supplies and the pharmacies, hospitals, doctor's offices, and other sites that provide them to the patients who need them. Distributors streamline the healthcare supply chain across all 50 states, connecting more than 1,200 manufacturers with more than 330,000 sites of care.

Prescription medicines make up more than 98 percent of healthcare distributor sales, and distributors have forged strong partnerships throughout the pharmaceutical supply chain. Distributors handle an estimated 95 percent of US prescription drug sales.

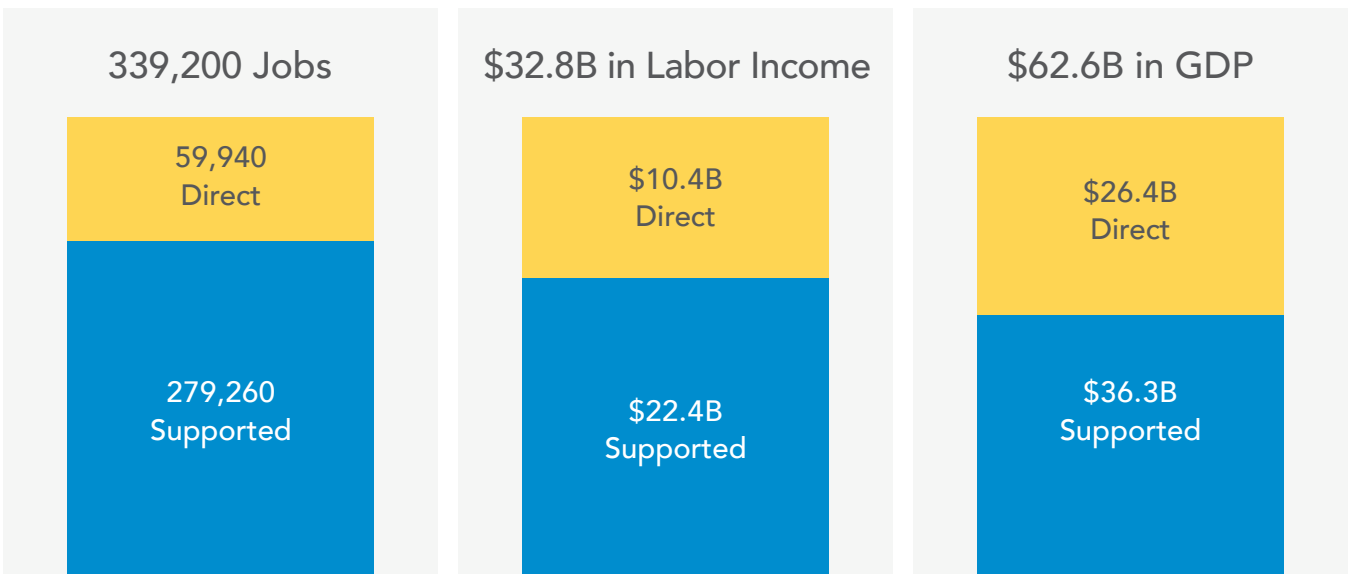
Healthcare distributors employ nearly 60,000 workers in the United States, but distributors support additional jobs, wages, economic activity, and tax revenues beyond their direct expenditures. Using a macroeconomic model

of the United States, Matrix Global Advisors (MGA) finds that, in 2023, healthcare distributors supported nearly 340,000 US jobs, generated \$32.8 billion in labor income (a measure of wages), and contributed \$62.6 billion in GDP.

Healthcare distributors make significant impacts in their communities beyond the local and national economic benefits they provide. These additional impacts extend to employees, patients, families, pharmacists, and others. For example, healthcare distributors work with drug companies and pharmacies to develop copay assistance and clinical care programs that provide direct medication adherence support for patients.

Overall, healthcare distributors play a key role in the US healthcare system, ensuring reliable and efficient delivery of the medicines Americans rely on every day. Moreover, distributors support the economy through the workers they employ directly, the jobs and economic activity they support, and the ways they give back to their communities.

Economic Impact of Healthcare Distributors



KEY TERMS

Direct Impact: Healthcare distributors' employees and their wages and the GDP they produce.

Supported Impact: Jobs, labor income, and GDP attributable to healthcare distributor investments and purchases as well as employee purchases (as estimated by MGA).

Overview

This report, a collaboration between Matrix Global Advisors (MGA) and the Healthcare Distribution Alliance (HDA), measures the economic impact of healthcare distributors in the United States. In addition to directly providing high-quality jobs, economic output, and tax revenues, HDA members also indirectly support additional jobs, wages, GDP, and taxes through their economic activity. Using macroeconomic input-output models built by IMPLAN, MGA quantifies the full economic and fiscal impact of healthcare distributors in the US economy. This analysis was funded by HDA and conducted using HDA data. HDA had no role in the determination of results. MGA is solely responsible for the analysis.

About HDA

HDA is the national organization representing healthcare distributors, serving as the vital link between the nation's pharmaceutical and medical product manufacturers and pharmacies, hospitals, and other sites of care. Learn more about HDA at www.HDA.org.

About MGA

MGA is an economic consulting firm in Washington, DC, specializing in healthcare, tax, and fiscal policy. The MGA team uses analytics to help identify, quantify, and solve economic policy problems. More information about MGA can be found at www.GetMGA.com.



What Is Healthcare Distribution

Healthcare distributors are logistics and efficiency experts who get lifesaving therapies and medical supplies to people who need them. Distributors streamline the healthcare supply chain across all 50 states, connecting more than 1,200 manufacturers with the pharmacies, hospitals, doctor's offices, and other sites that use their products. With technologically advanced distribution warehouses strategically located throughout the country, healthcare distributors are a vital link in the supply chain that brings essential medicines and other medical supplies to patients.



Providers—and ultimately patients—depend on healthcare distributors for on-time access to safe and secure delivery of medicines, vaccines, and medical products. Each day, HDA member companies safely and efficiently deliver more than 10 million units to more than 330,000 sites of care.

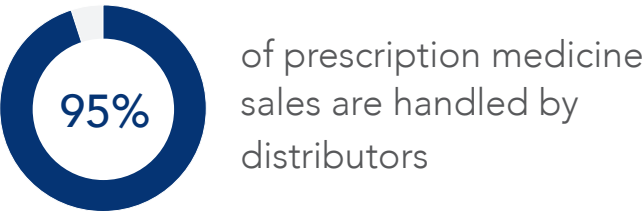
Distributors focus on driving efficiencies and increasing productivity. HDA and its members work daily to provide value and achieve cost savings—an estimated \$63 billion each year—for the nation's healthcare system.¹

Pharmaceutical Distribution

Prescription drugs represent the vast majority of products in healthcare distributors' portfolios, and distributors have forged strong partnerships throughout the pharmaceutical supply chain. In 2023, prescription medicines made up more than 98 percent of healthcare distributor sales.² Distributors handle an estimated 95 percent of US prescription drug sales.² These drugs range from common medicines to complex therapeutics that require special handling and constant temperature monitoring. Pharmaceutical distributors leverage their cold chain storage and transportation expertise and continuously innovate processes to ensure the integrity of temperature-sensitive medicines and vaccines.

For example, in advance of every flu season, distributors safely deliver roughly 150 million doses of flu vaccine to doctor's offices, health centers, pharmacies, and other dispensing sites. Flu vaccines require precise handling, including not being exposed to light and being kept between 36° and 46° F but not frozen.³

Beyond HDA members' core role in distributing medicines, they also provide services to assist community pharmacies and providers deliver the care patients need. Distributors support approximately 20,000 independent pharmacies across the country, providing logistics expertise and administrative services.



¹ HDA Analysis 2022.

² HDA Research Foundation, "95th Edition HDA Factbook: The Facts, Figures and Trends in Healthcare (2024–2025)," available at www.hda.org/publications/95th-edition-hda-factbook-the-facts-figures-and-trends.

³ Centers for Disease Control and Prevention, "Dosage, Administration, and Storage of Influenza Vaccines," available at www.cdc.gov/flu/professionals/acip/app/dosage.htm.

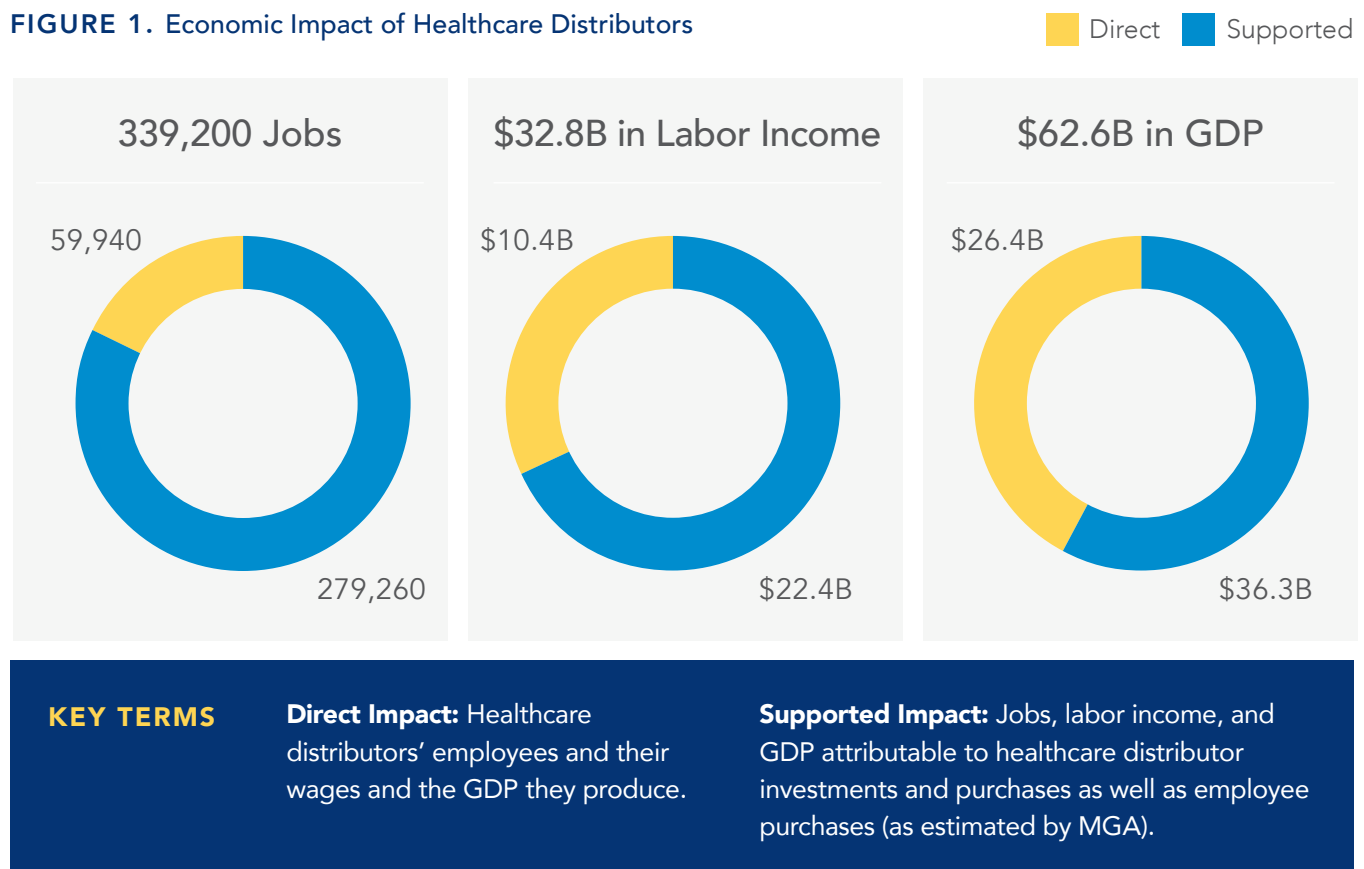
Economic Impact of Healthcare Distributors in the United States

Healthcare distributors employ nearly 60,000 workers in the United States, but distributors support additional jobs, wages, economic activity, and tax revenues beyond their direct expenditures. Using a macroeconomic model of the United States, MGA estimates healthcare distributors' full economic impact by capturing the indirect and induced effects

of their direct activity (see the highlight box **“Modeling Healthcare Distributors’ Impact”**).

MGA's analysis finds that, in 2023, healthcare distributors supported nearly 340,000 US jobs, generated \$32.8 billion in labor income (a measure of wages), and contributed \$62.6 billion in GDP (see **Figure 1**).

FIGURE 1. Economic Impact of Healthcare Distributors



Modeling Healthcare Distributors' Impact

The economic and fiscal impacts of healthcare distributors presented here were estimated using IMPLAN's regional input-output models. These models are widely used across government, academia, nonprofit, and corporate settings. Drawing on publicly available historical economic data for a specific region, IMPLAN models project economic indicators (for example, production and employment levels) by industry.

IMPLAN works by transforming a “direct” input into “indirect” and “induced” impacts. Indirect impacts include interactions in the supply chain, such as vehicles purchased by distributors. Induced impacts involve household expenditures supported by the wages paid to direct and indirect employees. For this analysis, healthcare distributors’ direct impact is derived from HDA data on member employment by state and sales by product category.

As healthcare distributors and their employees spend money, their spending supports other industries and additional spending in those industries. The industry that has the biggest employment impact from healthcare distributors' economic activity is the transportation industry, followed by business management and support services and finance,

insurance, and real estate. See **Figure 2** for a breakdown of the top eight supported industries by employment.

Distributors also support tax revenues in the United States. In 2023, federal, state, and local tax receipts supported by healthcare distributors' economic activity totaled nearly \$13 billion (see **Figure 3**).

FIGURE 2. Supported Jobs: Top Industries

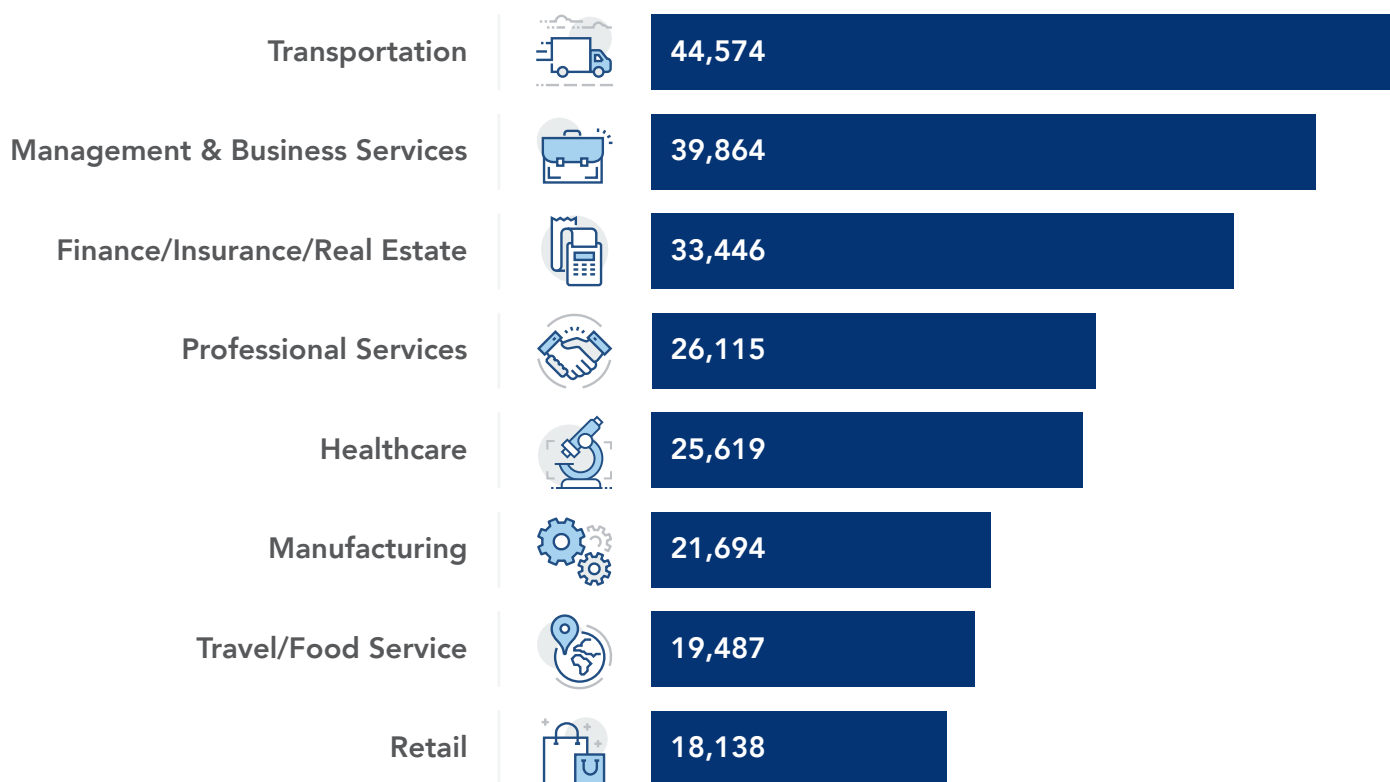


FIGURE 3. Tax Impact of Healthcare Distributors



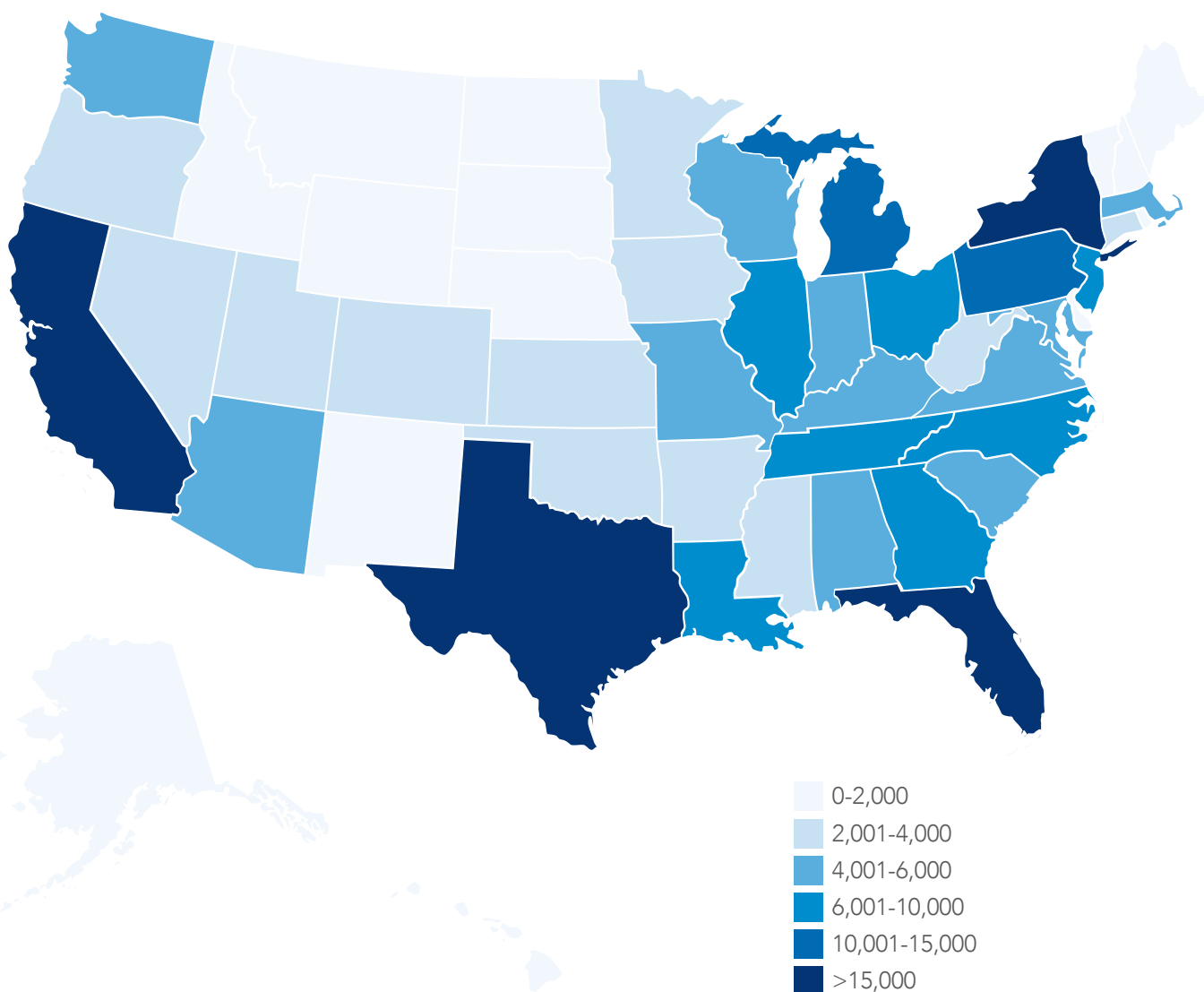
Business Footprint of Healthcare Distributors

Healthcare distributors operate in all 50 states. Thirty-five distributors, operating 144 distribution centers throughout the United States, are members of HDA. On average, distribution centers process 4,200 orders each day. Healthcare distributors ship to nearly 180,000 locations throughout the United States (see **Figure 4** for ship-to points by state). Among distributors with sales under \$1 billion, distribution centers have a median size of 23,000 square feet, while distributors

with sales of more than \$1 billion run distribution centers with a median size of 165,000 square feet.²

Healthcare distributors operate in all 50 states, with 35 distributors running 144 distribution centers throughout the country.

FIGURE 4. Healthcare Distributor Ship-To Points



Social and Charitable Impacts

Healthcare distributors make significant impacts in their communities beyond the local and national economic benefits they provide. These additional impacts extend to employees, patients, families, pharmacists, and others. For example, healthcare distributors work with drug companies and pharmacies to develop copay assistance and clinical care programs that provide direct medication adherence support for patients.

Healthcare distributors also provide vital financial and administrative services to pharmacies, extending lines of credit that help bridge the gap between when facilities dispense medicines to a patient and when they are later reimbursed by a patient's health plan. Financing pharmacy inventory is especially critical for small independent pharmacies.

Impacts specific to individual distribution companies include:

cencora Impact Foundation

The Cencora Impact Foundation financially supports the Disaster Relief Fund at the National Community Pharmacists Association Foundation to aid independent pharmacies in rebuilding after disasters.

Morris & Dickson

In 2025, Morris & Dickson launched a program for part-time positions for workers age 16 and up to give employees' families and others in the community the opportunity to fill these part-time roles.

MEDLINE

Medline runs the M-VET Network, an employee resource group that supports veterans and their families through workplace connection, education, and community service, including building homes for veterans.

HENRY SCHEIN®

Henry Schein opened the Henry Schein Cares Foundation 2024 Relief Fund, committing up to \$500,000 in cash and essential healthcare supplies to support communities affected by wildfires in Los Angeles.

McKESSON

McKesson has partnered with customers and community organizations to support the Western Navajo Fair, delivering health education and resources on cancer, diabetes, and nutrition to more than 2,300 members of the Navajo Nation.

CardinalHealth

Through its involvement in EquityRx, the Cardinal Health Foundation—in partnership with the Charitable Healthcare Network and St. Vincent de Paul Charitable Pharmacy—helps people in Ohio and beyond who cannot afford their prescription medications.