

2022

FOUNDATION HIGHLIGHTS

A YEAR IN REVIEW



The HDA Research Foundation had a remarkable year in support of our mission and strategic priorities. Throughout 2022, the Foundation made strides to provide supply chain and other stakeholders credible research, education and discussion to help the distribution sector innovate and thrive.

In the second year of implementing a board-directed strategic plan, the Foundation pursued thoughtful research projects that clearly communicate the role and value of the distribution sector to the overall healthcare ecosystem. A new project for 2022 was a follow-up to our work to uncover how the supply chain withstood the first 90 days of the pandemic. This “after-action” report delves into the supply chain challenges during the virus response — and makes several recommendations to enhance future supply chain resilience.

Additionally, projects like our Understanding Distribution courses and annual benchmarking studies advanced our commitment to educating current and future supply chain leaders. The Karen J. Ribler scholarship was also awarded to four HDA-member employees pursuing graduate degrees. Karen, our former COO, would be as proud as I am to report that since 2018, the Foundation has disbursed nearly \$48,000 in awards to 19 scholars. Finally, our signature fundraising event, the CEO Roundtable, set record-breaking attendance and fundraising totals.

Many thanks to our Board of Directors, generous contributors, and of course, our staff, who have devoted their time and money in support of the industry’s pursuit of supply chain efficiency. Through your continued support, the Foundation is providing valuable resources that will enhance healthcare supply chain operations now and in the future.

Sincerely,

Perry Fri
Executive Vice President, Industry Relations, Membership & Education, HDA
Chief Operating Officer, HDA Research Foundation

THANK YOU TO OUR ANNUAL SPONSORS

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FOURTEENTH ANNUAL CEO ROUNDTABLE FUNDRAISER HELD IN WASHINGTON, D.C.

The Fourteenth Annual CEO Roundtable Fundraiser was held for a second year in Washington, D.C. The event raised a **record-breaking \$440,000** to support the Foundation. This funding allows the Foundation to drive thought leadership through high-quality research and education for healthcare supply chain stakeholders and others.

Following an update from Foundation Chairman Craig Cowman of Cardinal Health, the event guest of honor, Brian Tyler, Chief Executive Officer, McKesson, engaged the audience through an energetic and informative dialogue with HDA's President and CEO Chip Davis. During the conversation, the leaders touched on the impact of COVID-19, the value of distribution and the role of advocacy, as well as DEI, among other topics.



The next event will be held on Wednesday, November 15, 2023 in Washington, DC.

Sponsors: **Platinum:** Apotex Corp. | Genentech, A Member of the Roche Group | Viatris

Gold: Regeneron

Silver: Amneal Pharmaceuticals | IQVIA

RECOGNIZING SUPPLY CHAIN EXCELLENCE: THE NEXUS AWARD FOR LIFETIME ACHIEVEMENT



The Foundation honored Greg Drew, RPh, President of Value Drug Company, with the 2022 Nexus Award for Lifetime Achievement at HDA's Business and Leadership Conference in Orlando, Fla. Since 1956, the Nexus Award has been presented to HDA-member individuals for their exceptional character, career accomplishments, and leadership in HDA, the industry and their community.

A pharmacist by training, Greg was named President of Value Drug in October 2009, following 15 years at Rite Aid Corporation and previous experience leading independent community pharmacies. Over his tenure at Value, an independent pharmacy cooperative providing wholesale distribution services, he helped grow the company to business valued at just over \$1B.

Through Greg's leadership, Value Drug expanded its distribution footprint significantly; established a specialty pharmacy services business, Value Specialty Pharmacy; and moved its headquarters to a state-of-the-art distribution facility in Duncansville, Pa. In 2018, Value Drug was named one of the "Best Places to Work in Pennsylvania" by the Team Pennsylvania Foundation. Over the years, Greg and his leadership team have hosted numerous legislators at Value Drug headquarters to underscore the role and value of the distribution industry.

Greg has actively participated in HDA committees, events and initiatives while with Value Drug. He served as HDA Chairman from 2018–2020 and Vice Chairman in 2018 and sits on the HDA Executive Committee and Board of Directors. Further, he has served on the HDA Research Foundation Board of Directors since 2013. Greg chairs the association's board-level Diversity, Equity and Inclusion Task Force, which was established in 2020 to help advance DEI efforts across the distribution sector.

A respected leader in the community surrounding Altoona, Pa., Greg serves on the steering committee of Operation Our Town, which promotes healthy neighborhoods within Blair County, Pa. He also is a board trustee at Mount Aloysius College in Cresson, Pa. Further, Greg and his family established the Jessica Drew Sunshine Memorial Fund to provide scholarships to high school students in Hershey, Pa., and support various nonprofits, such as the Humane Society and the Special Olympics.

The Foundation presents the Nexus Award as part of an ongoing commitment to recognize and reward excellence in the healthcare distribution industry.

Understanding Pharmaceutical Distribution



“Understanding Pharmaceutical Distribution” Interactive Course

Updated in 2022, this 13-module course illustrates how healthcare industry stakeholders coordinate to move products within the supply chain — from manufacturers, to distributors, to dispensers, and ultimately, to patients. New to the course are modules in Pharmacy Service Administrative Organizations (PSAOs) and Pharmacy Preparedness (created in partnership with Healthcare Ready).

The modules provide updated information on the Drug Supply Chain Security Act, supply chain resilience and the returns/recalls process. Content is based on *The Role of Distributors in the US Health Care Industry*, the *92nd Edition HDA Factbook* and *The Role of Reverse Distribution*.

Designed with training in mind, the course can be used as a whole, or trainers can pick and choose which modules to focus on. In addition to being mobile friendly, this resource includes a search function and a flashcard glossary.

Sponsors: Eisai, Inc. | Teva Pharmaceuticals

Understanding Specialty Pharmaceutical Distribution



“Understanding Specialty Distribution”: A Reimagined Resource

This nine-module interactive course shows the key specialty pharmaceutical supply chain stakeholders and their functions as products move from the manufacturer to the patient.

Updated in 2022, this course is designed to build on information provided in the *Specialty Pharmaceutical Distribution Facts, Figures and Trends*, including information on biosimilars and reimbursement models for specialty pharmaceuticals.

This course is designed for onboarding new personnel, as well as to supply chain professionals and others interested in learning the processes involved in moving medicines from the manufacturer to the customer.

Combined with the modules on traditional healthcare distribution, the Foundation’s courses have become a recognized and recommended resource for onboarding within the healthcare distribution sector.

Sponsor: Genentech, A Member of the Roche Group



Karen J. Ribler SCHOLARSHIP

Each year, the HDA Research Foundation presents graduate-level scholarships to individuals from HDA distributor- and manufacturer-member companies. The program — established in conjunction with Convene, HDA's professional development program — is designed to develop the future growth of HDA member professionals and their companies as well as the pharmaceutical supply chain.

Four scholars were the first named in honor of Karen J. Ribler, a fierce advocate for the Foundation and academic pursuit. Through an essay and supporting materials, these scholars demonstrated leadership, innovation, a commitment to the industry and a desire to promote the greater good of their organization.

2022–2023 Scholars

Michael Gonsman

Warehouse General Manager
Value Drug Company
American Public University
Master of Supply Chain Management

Maureen Rush

Sourcing Manager
Cardinal Health
University of Wisconsin – Superior
Masters of Sustainable Management

Jill Schwendenmann

Sr. Specialist
Cardinal Health
Georgetown University
Master of Technology Management

Dave Towe

Advisory, Strategic Pricing, Generics
Cardinal Health
MBA, Ohio University

STUDENT RESEARCH PROGRAM



RUTGERS
THE STATE UNIVERSITY
OF NEW JERSEY

For the sixth consecutive year, the HDA Research Foundation partnered with graduate students from the Rutgers Business School Supply Chain Management Program to spearhead a research project. The goals of the student research program are

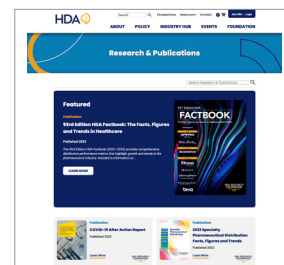
to shed new light on a pharmaceutical supply chain topic; and further, to teach students about the industry as they consider potential career paths.

In 2022, a group of four students worked directly with distributor and manufacturer subject matter experts to identify practices to reduce the impact of a loss of exclusivity event. The group held weekly panel discussions with distributor and manufacturer members, disseminated a survey to key stakeholders and held individual interviews with HDA members. The work culminated in a presentation to the HDA Research Foundation Board of Directors and a whitepaper.

Sponsors: Eisai, Inc. | Dr. Reddy's Laboratories, Inc.

New Research and Annual Research Publications

The Foundation further studied how medicines and healthcare products moved through the traditional and specialty supply chains in addition to future industry developments. Resources are available for complimentary download on the Foundation website. www.hda.org/foundation.



COVID-19 After Action Report



As a follow up to the HDA Research Foundation's *First 90 Days* report, this report uncovers how the U.S. biopharmaceutical and medical product supply chain adapted to disruptions — and plans to build strategies for the future. The Foundation contracted a third party to explore the challenges the industry has faced over the past three years; the anticipated future disruption landscape; recovery initiatives that the industry has adopted during COVID-19; and potential future strategic opportunities to improve supply chain resiliency, agility and sustainability. The report also shows the initiatives that different supply chain players consider as valuable and likely to be implemented.

Findings may have the potential to help players across the healthcare supply chain plot a successful path forward and help achieve their resilience and business objectives.

Sponsors: Johnson & Johnson Health Care Systems Inc. | Regeneron

HDA Factbook



Now in its 93rd year, this benchmarking publication reports on the outside forces shaping the distribution industry through updated performance metrics, while chronicling trends in the pharmaceutical industry. Of note, the Foundation reports that an estimated 94 percent — a record-high \$599 billion — of all U.S. pharmaceutical sales went to market through pharmaceutical distributors in 2021.

The *Factbook* serves as HDA's definitive source for quantifying the value and role of distributors, and the resource is used in many of the association's communications and advocacy materials.

Sponsors: **Gold:** Apotex Corp. | Real Value Rx dba Hospital Pharmaceutical Consulting
Silver: Regeneron
Bronze: Ascend Laboratories, LLC | IQVIA | Johnson & Johnson Health Care Systems Inc. | Pharmacy First | Teva Pharmaceuticals

Specialty Pharmaceutical Distribution Facts, Figures and Trends



The 14th edition of this annual publication charts the continued evolution of the specialty pharmaceutical segment. The latest edition includes information on distributor performance metrics and distribution models. Chapters on payer perspectives and biosimilar trends also provide insights as the segment develops.

As noted in survey responses, specialty distributors worked with just over 200 manufacturers to deliver products to a record-high 56,000 provider ship-to points. Additionally, an HDA-member specialty distribution facility processed approximately 4,233 orders at a fill rate of 99.7 percent and delivered orders to providers within 1.6 days.

Sponsors: **Gold:** Genentech, A Member of the Roche Group
Silver: Regeneron | Takeda Pharmaceuticals U.S.A., Inc.

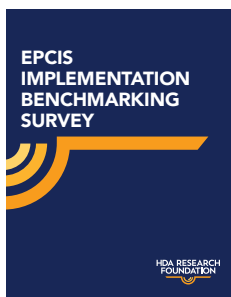


Serialization Readiness Survey

In the pharmaceutical supply chain's second-to-last year of DSCSA implementation, it is important to shed light on the industry's readiness for regulatory agencies and other external stakeholders. For the seventh year, the Foundation measured the progress toward interoperability and compliance through our annual *Serialization Readiness Survey*, which was released in conjunction with the HDA Traceability Seminar.

Results, released at the HDA Traceability Seminar, include information on when distributors can expect to begin receiving serialized product and associated data, perceptions of dispenser preparedness for upcoming milestones, and concerns as the industry moves toward an interoperable framework for serialized products in 2023. The summary has become a trusted resource for supply chain stakeholders and those interested in the dynamics of DSCSA implementation — especially media outlets covering the industry's efforts to comply by the final milestone of November 27, 2023.

Sponsors: 3KEYS GmbH | HealthFirst | LSPedia



EPCIS Implementation Benchmarking Survey

In Q4 of 2021, the Foundation conducted this survey assessing the industry's progress toward implementing GS1 Electronic Product Code Information Services (EPCIS), as well as trading partner plans for exchanging data, to comply with the Drug Supply Chain Security Act (DSCSA). The findings showed that the industry continues to be in the initial stages of achieving EPCIS interoperable connections and data exchange with each other in production. Data reflect responses from across the pharmaceutical supply chain, including manufacturers, distributors and 3PLs.

In the spring issue of *Pharmaceutical Outsourcing*, Foundation EVP and COO Perry Fri wrote about the progress and obstacles to DSCSA compliance in a [column](#) informed by the Q4 data.

Sponsors: **Gold:** AmerisourceBergen Corporation | Antares Vision Group | LSPedia
Bronze: TwoLabs Pharma Services



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(Secretary)

General Counsel and
SVP, Supply Chain Integrity
HDA

**PRELIMINARY FINANCIAL STATEMENTS FISCAL YEAR 2022****REVENUE**

Contributions	\$699,350
Sponsorships	\$332,500
Investment Income	\$2,937
Total Revenue	\$1,034,787

EXPENSES

Research Projects	\$676,734
General and Administrative	\$213,259
Fundraising	\$242,195
Total Expenses	\$1,132,188

Total Changes in Net Assets	(\$97,401)
Net Assets, Beginning of Year	\$727,373

Net Assets, End of Year	\$629,972
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(2022 Unaudited)



1275 Pennsylvania Avenue
Washington, DC

The HDA Research Foundation is the 501(c)(3) nonprofit charitable organization of the Healthcare Distribution Alliance (HDA). The Foundation serves as the thought leader in driving research, education and discussion for all healthcare supply chain stakeholders, enabling the industry's ability to deliver efficient, safe and secure patient access to medicines and medical products.

Learn more at HDA.org/Foundation.