2019 FOUNDATION HIGHLIGHTS A YEAR IN REVIEW
A MESSAGE
FROM THE EXECUTIVE VICE PRESIDENT AND COO

In 2019, the HDA Research Foundation continued its mission of producing pharmaceutical supply chain-focused education by conducting important research and seeking new partnerships.

With discussion of drug affordability policies top of mind, the Foundation sought to understand the risks and complexities of commercial drug importation. Further, the organization expanded its relationship with higher education entities. For example, the Foundation partnered with Northeastern University and McGraw Hill to provide expertise on supply chain management practices for a pharmacy textbook and strengthened its working relationship with the Rutgers Business School. In addition, the Foundation named the first four recipients of its graduate-level scholarship.

As we look back upon the year, we do so with tremendous gratitude to our Board of Directors and generous contributors, who have devoted their time and money in support of the industry’s pursuit of supply chain efficiency. Through their continued support, the Foundation is providing free valuable resources to the industry leaders of today and tomorrow.

Sincerely,

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

THANK YOU TO OUR ANNUAL SPONSORS

AmerisourceBergen
Cardinal Health
McKesson
The Eleventh Annual CEO Roundtable Fundraiser was held on April 9 in New York City. The HDA Research Foundation’s signature fundraising event convened a sold-out crowd of nearly 200 pharmaceutical supply chain executives to network and hear a conversation between HDA President and CEO John M. Gray and special guest John Prince, Chief Executive Officer of OptumRx, about top-of-mind policy issues, business-to-consumer relations and the impact of technology and data on healthcare delivery.

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- PAR Pharmaceutical an Endo International Company
- Teva Pharmaceuticals
- Upsher-Smith Laboratories, LLC
- Value Drug Company
THE NEXUS AWARD FOR LIFETIME ACHIEVEMENT

George C. Barrett, former Chairman and CEO of Cardinal Health, received the 2019 Nexus Award for Lifetime Achievement at the June HDA Business and Leadership Conference in Orlando, Florida. The pharmaceutical distribution industry’s highest individual honor, first presented in 1956, the Nexus Award recognizes exceptional character; professional accomplishments; and leadership in HDA, the industry and community.

This award is offered as part of an ongoing commitment and mission to recognize and reward excellence in the healthcare distribution industry.

Sponsor: Mylan Inc.

STUDENT RESEARCH PROGRAM

The HDA Research Foundation resumed its partnership with Rutgers Business School for a third year. During the fall semester, a group of four graduate students worked directly with distributors, manufacturers and dispenser subject matter experts to explore how implementation of the Drug Supply Chain Security Act (DSCSA) will create new streams of data and processes that may affect the broader healthcare system.

The group held weekly panel discussions with distributor, manufacturer and dispenser members and disseminated a survey to key stakeholders culminating in a presentation to HDA members and a whitepaper.

Sponsor: IQVIA
NORTHEASTERN UNIVERSITY COLLABORATION DRIVES EDUCATION-DRIVEN MISSION FORWARD

In partnership with Northeastern University and McGraw Hill, the Foundation authored a chapter on supply chain management for the Fifth Edition: Pharmacy Management Essentials for All Practice Settings textbook. The chapter provided relevant and up-to-date information on the flow of pharmaceuticals for pharmacy students and educators, including insights into DSCSA implementation.

INAUGURAL FOUNDATION SCHOLARS ANNOUNCED

In conjunction with Convene, HDA’s professional development program, the Foundation awarded four scholarships to students who demonstrated how the funds would benefit the applicant’s growth within their organization and contribute to the efficiency of the supply chain and the patients it serves.

The scholarship program was designed to develop the future growth of HDA member professionals and their companies, and by extension, the pharmaceutical supply chain. The scholarship program is open annually to students working within HDA-member distributor and manufacturer companies that demonstrate leadership, innovation, a commitment to the industry and a desire to promote the greater good of their organization.

Sponsor:
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Andy Harrison
AmerisourceBergen/MWI Animal Health
Master of Business Administration
Louisiana State University – Shreveport

Andy Lam
Upsher-Smith Laboratories, LLC
Master of Science in Computer Science
Metropolitan State University

Molly Manuse
McKesson Medical-Surgical
Master of Business Administration
University of Richmond

Michael Morand
Johnson & Johnson
Doctorate in Business Administration
Temple University
EXPLORING RX SUPPLY CHAIN EFFICIENCIES AND FUTURE DEVELOPMENTS

The Foundation produced a variety of resources delving into the inner workings of how medicines and healthcare products move through the traditional and specialty supply chains, future industry developments as well as the unique nature of the reverse distribution process. Resources are available for complimentary download on the HDA website.

In its 90th year, the HDA Factbook reported on the outside forces shaping the distribution industry through updated distribution performance metrics, and chronicled trends in the pharmaceutical industry. Of note, the Foundation found that 92 percent — approximately $493 billion — of all U.S. pharmaceutical sales went to market through pharmaceutical distributions in 2018.

Sponsors:
Gold:
Apotex Corp.
Real Value Rx dba Hospital Pharmaceutical Consulting

Bronze:
IQVIA, Pharmacy First
Teva Pharmaceuticals

The 11th edition of Specialty Pharmaceutical Distribution charted the continued evolution of this market segment. Respondents reported that sales of oncology products continue to be the highest in volume, followed by those formulated to treat inflammatory/autoimmune, supportive care, ophthalmology and hemophilia/bleeding disorders. Overall, specialty pharmaceuticals continued to drive overall industry growth, increasing to a 45 percent share of market value in 2018.

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Silver:
Amneal Pharmaceuticals, Inc
Associated Pharmacies, Inc.
Takeda Pharmaceuticals America, Inc.

Bronze:
Pharmacy First
Reliance Wholesale Inc.
A new research project for 2019, the Foundation explored current federal drug importation policies for their commercial feasibility, operational costs to the pharmaceutical supply chain and any effects on patient safety. The analysis concluded that implementation would amount in at least $1.1 billion in additional costs due to patient risks, required federal regulatory oversight and operational challenges on the supply chain.

Sponsors:

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- Novartis Pharmaceuticals Corporation

**Gold:**
- Astellas Pharma US, Inc.
- Pfizer Inc

**Silver:**
- Genentech, A Member of the Roche Group

For the first time, the Foundation’s Serialization Readiness Survey included perspective from wholesale distributors on the state of Drug Supply Chain Security Act (DSCSA) implementation. The fourth annual survey indicated that stakeholders are in various states of preparedness as companies look to meet the DSCSA’s requirements. The results, presented at the HDA Traceability Seminar, illustrated an industry in transition, as some trading partners have begun to send serialized data and others will evolve to that point over the next few years.

Sponsors: ACG Inspection | Adents | LSPediA

“Understanding Pharmaceutical Distribution” and “Understanding Specialty Distribution” were updated with the latest HDA Factbook and Specialty Pharmaceuticals data. Offered as two PowerPoint decks with talking points, these resources are available to manufacturer, distributor and pharmacy presenters/trainers to onboard 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.

The Foundation explored the 340B Drug Pricing Program through a whitepaper. The piece analyzed the effects of the 340B program on various stakeholders as well as its future given recent public discussion, administration activities and legislative proposals.

To download, visit www.hda.org/resources.
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EVP & President, Community & Specialty Pharmacy
AmerisourceBergen Corporation

JOHN M. GRAY
President and CEO, HDA
President, HDA Research Foundation

ANN BITTMAN
(Treasurer)
Executive Vice President and COO
HDA
### PROJECTED FINANCIAL STATEMENTS FISCAL YEAR 2019

#### REVENUE

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<th>Description</th>
<th>Amount</th>
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<td>Contributions</td>
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<td>Investment Income</td>
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<td>Fundraising</td>
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<td><strong>Total Revenue</strong></td>
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#### EXPENSES

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<tr>
<td><strong>Total Expenses</strong></td>
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</tbody>
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Total Changes in Net Assets $777,389
Net Assets, Beginning of Year $106,149

**Net Assets, End of Year** $883,538

*(Unaudited)*
The HDA Research Foundation is the 501(c)(3) non-profit charitable organization of the Healthcare Distribution Alliance (HDA). The Foundation serves the healthcare industry by providing research and education focused on healthcare supply chain issues. The Foundation’s mission is to conduct research and disseminate information that will enhance the knowledge base, efficiency and effectiveness of the total healthcare supply chain; and to provide thought leadership to further enhance the safety and security of the healthcare supply chain through future-focused study and programming.

www.hda.org/foundation