EXECUTIVE SUMMARY

The work conducted by the Healthcare Distribution Alliance (HDA) and its member companies over the past year, including advocacy efforts, lobbying and political activities, places the industry in a strong position for 2017, as the organization enters the next legislative session with a new president and a shifting policy landscape.

What follows is a summary and analysis of the priority issues for HDA distributor members that are likely to draw the attention of the Trump Administration, Congress and state legislatures in 2017.

Key issues include:

- Prescription drug abuse and diversion;
- Taxes;
- Pharmaceutical pricing measures;
- Medicare reimbursement;
- Drug disposal; and,
- DSCSA implementation.
FEDERAL LEGISLATIVE LANDSCAPE
WHITE HOUSE

Every four years, the work of Congress and state governments across the country is overshadowed by the presidential election. That was particularly the case in 2016. Republican Donald J. Trump won the White House with 304 electoral votes, and the victory reverberated down the ballot to congressional and state races.

SENATE

In the Senate, Republicans lost two seats, but retained control of the chamber. In addition to losing the White House, Democrats failed to win the majority in the Senate despite the opinion of some polls that this election may have been their best opportunity to do so in recent years. One of the most notable changes for the Democrats will be in the Senate minority leadership. Senator Chuck Schumer (D-N.Y.) will succeed Senator Harry Reid (D-Nev.), who retired, as Minority Leader. Senator Mitch McConnell (R-Ky.) will remain the Majority Leader.

Senators Orrin Hatch (R-Utah) and Ron Wyden (D-Ore.) will continue to serve as Chairman and Ranking Member of the Senate Finance Committee. At the Senate Health, Education, Labor and Pensions (HELP) Committee, Senators Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.) will remain as Chairman and Ranking Member. The Judiciary Committee will continue to be led by Chairman Chuck Grassley (R-Iowa), while Senator Dianne Feinstein (D-Calif.) will now serve as Ranking Member, replacing Senator Patrick Leahy (D-Vt.) who leaves to become Ranking Member of the Senate Appropriations Committee.

SENATE SEATS BY PARTY

Post-election:
- 52 Republicans
- 46 Democrats
- 2 Independents
HOUSE OF REPRESENTATIVES

Republicans held the House majority through the election, only losing six seats. Speaker of the House Paul Ryan (R-Wis.) was approved by his colleagues to retain his leadership role in the 115th Congress. Minority Leader Nancy Pelosi (D-Calif.) will remain in her post in the new Congress.

At the committee level, several chairmen are term-limited, which will prompt leadership shifts across a number of key committees. Among the changes, Chairman of the House Energy and Commerce Committee Fred Upton (R-Mich.) and Chairman of House Appropriations Hal Rogers (R-Ky.) are both term-limited from serving in the 115th Congress as chair of their respective committees. Rep. Greg Walden (R-Ore.) will take the gavel of the Energy and Commerce Committee and Rep. Rodney Frelinghuysen (R-N.J.) will take the lead on House Appropriations. For the Democrats, Rep. Sander Levin (D-Mich.), Ranking Member of the House Ways and Means Committee, announced his decision not to remain in the top post. He will be succeeded by Rep. Richard Neal (D-Mass.)
GOVERNORS

Twelve states held gubernatorial races during the 2016 election, including a special election in Oregon. Five governors were running for re-election, including Montana Governor Steve Bullock (D), North Carolina Governor Pat McCrory (R), Oregon Governor Kate Brown (D), Utah Governor Gary Herbert (R) and Washington Governor Jay Inslee (D). Seven races were for open seats, with five previously controlled by the Democrats and two held by the Republicans.

As a result of the election, Republicans took control of the governors’ offices in Missouri, New Hampshire and Vermont while maintaining control in Indiana and Utah, where Governor Herbert was re-elected. In Missouri and New Hampshire, Republican wins now give the party control of all three branches of state government. In total, Republicans will hold governors’ offices in 33 states, nearly matching the historic high of 34 seats in 1922.

Democrats successfully maintained control of five governorships, with incumbent Governors Bullock, Brown and Inslee holding their seats, while keeping party control in West Virginia and Delaware. They also picked up the state of North Carolina, in which Attorney General Roy Cooper (D) was declared the winner in early December in an extremely tight race, defeating incumbent Governor Pat McCrory (R).

GOVERNORS BY PARTY

Post-election:
- 33 Republicans
- 16 Democrats
- 1 Independent
STATE LEGISLATURES

As the 2017 legislative sessions convene, Republicans will control both legislative chambers in 32 states, 25 of which are where they also control the governorship. Democrats will have control of both legislative chambers in 13 states with only six states under full party control. Three states, Colorado, Connecticut and Maine, will have a divided legislature. New York is experiencing a contested election, which will ultimately determine which party will control the State Senate; and, Nebraska continues to be unicameral and nonpartisan.

Despite the overall Republican success, Democrats were able to successfully flip control of both the Nevada State Senate and State Assembly. Democrats also were able to regain control of the New Mexico State House after losing the chamber during the 2014 election.

For the first time in the state’s history, and for the 42nd time in U.S. history, Connecticut will have a tied State Senate with 18 Republicans and 18 Democrats in office. The long-standing Democratic state is expected to be a priority state for HDA in 2017 due to their effort to place a tax on pharmaceutical wholesalers for opioid sales.

**STATE LEGISLATURES BY PARTY**

- **Post-election:**
  - 32 Republicans
  - 13 Democrats
  - 3 Split
  - 1 Unicameral
  - 1 Not decided

- **Political Trifectas:**
  - 25 Republicans
  - 6 Democrats

**STATE LEGISLATIVE LANDSCAPE**
2016 ISSUE REVIEW AND 2017 OUTLOOK
In anticipation of the focus of upcoming legislative sessions, HDA analyzed the past year’s proposals and discussions in the context of what to expect in 2017. With a Republican White House, Congress is expected to once again attempt to repeal all or a portion of the Affordable Care Act (ACA). A replacement plan has not yet been laid out in full detail, though the entire healthcare industry is expected to monitor negotiations and legislative proposals closely. For distributors, the industry will analyze how the legislative discussions may intersect with Medicaid and Medicare reform, pricing transparency, prescription drug importation and more.

**PRESCRIPTION DRUG ABUSE AND DIVERSION**

In 2016, Congress worked to pass bipartisan legislation to address prescription drug abuse and diversion. These efforts included the passage of the Ensuring Patient Access and Effective Drug Enforcement Act (Public Law 114-145), a legislative priority for HDA, and the Comprehensive Addiction and Recovery Act (CARA, Public Law 114-198), a bill which authorizes enhanced grant programs that will expand prevention and education efforts while also promoting treatment and recovery. HDA and our members supported both bills, which were signed by President Obama in April and July of 2016, respectively.

Congress originally included $32 million in funding for the CARA law, which was not enough to fully meet funding requests by Democratic members. However, in December, Congress passed and the President signed into law the 21st Century Cures Act (Public Law 114-255) aimed at medical innovation and research. The $6.3 billion law authorizes funding for the National Institutes of Health to accelerate research into major diseases, funding for the Food and Drug Administration (FDA) to make its approval process more efficient, as well as $1 billion in funding over two years in state grants to fight opioid abuse.

Prescription drug abuse still remains a significant issue and congressional work is far from done. There are outstanding questions and interest across both chambers and party lines surrounding funding, prevention and enforcement. Given the intersection of this issue with others — public health, prescription drug costs and law enforcement — Congress is likely to continue to debate and consider policies and proposals to slow the epidemic of prescription drug abuse. In April, the Department of Health and Human Services, in coordination with other federal agencies and supply chain stakeholders, is expected to release a report to identify collaborative efforts to ensure patient access to medications while preventing drug diversion and abuse. The report was a requirement of the Ensuring Patient Access and Effective Drug Enforcement Act, and Congress may use the findings to inform additional legislative work.

The National Governors Association (NGA) has been engaged on issues related to the prescription drug abuse prevention and treatment for the past several years. In 2016, NGA released a report, *Finding Solutions to the Prescription Opioid and Heroin Crisis: A Road Map for States*. In addition to the report, governors have also established 27 separate prescription drug abuse task forces which have put forth policy proposals on how to prevent and treat addiction.

Across the country, state legislatures considered 47 bills aimed at addressing the opioid epidemic during the 2016 sessions. Legislation centered on a variety of subjects, including offering immunity for providers of opioid antagonist drugs, improving state prescription drug monitoring programs (PDMPs), enhancing treatment programs and limiting the amount of opioids that can be prescribed. Connecticut reintroduced legislation that would have established a surcharge on the gross receipts of opioids sold in the state by manufacturers and wholesalers in order to provide grants to regional opioid abuse prevention and treatment programs. This legislation failed in 2016, but HDA anticipates it will be a predominant issue during the 2017 legislative session.
PRESCRIPTION DRUG ABUSE AND DIVERSION (continued)

For more than a year, Massachusetts policy makers focused efforts on identifying a legislative solution to combat the state’s opioid crisis. Newly enacted legislation (H. 3817) will establish a number of measures to reduce prescription and opioid abuse including imposing a seven-day limit on prescribing of opiates to a patient for the first time, requiring prescribers to check the Prescription Monitoring Program when they prescribe a Schedule II or III narcotic, and establishing a statewide drug stewardship program. In Nevada, Governor Brian Sandoval (R) made opioid abuse a top priority during the 2015 session and was able to introduce and pass Senate Bill 459, which made substantial policy changes regarding prescription drug abuse prevention. In an effort to continue the momentum in the state, Governor Sandoval hosted a Prescription Drug Abuse Prevention Summit in August 2016 to further analyze the issue and identify potential policy solutions the Nevada legislature can consider during the 2017 legislative session.

With rising concerns about treatment and education in addition to enforcement efforts, state governments have been broadening their focus on prescription drug abuse. Congressional efforts to support state prescription drug abuse programs, such as the CARA legislation and funding included in the short-term budget resolution (2016), offered states additional grants and program resources to expand treatment and abuse prevention efforts. Additionally, state legislatures and regulators may continue looking at ways to enhance and expand existing tools, such as PDMPs, as a way to continue to leverage private sector commitments to combating prescription drug abuse.

TAXES

For many years, federal comprehensive tax reform has been a topic of great interest but little action. In 2016, the Senate Finance Committee released a series of white papers with bipartisan input to inform members of Congress as they worked towards reforming the tax system. Also last year, Speaker Paul Ryan released a tax reform blueprint which would replace the existing tax code with an entirely new tax system, including full and immediate expensing, border adjustability, a move toward a territorial corporate tax and incentives to repatriate foreign held income. HDA focused on the impact these proposals would have on last-in first-out (LIFO) repeal. Within the House blueprint, LIFO was specifically preserved, but it is unclear whether the legislative language will maintain that goal.

With the victory of President-elect Donald Trump and Republicans retaining control of both chambers of Congress, a major tax reform initiative has become increasingly likely. Senator Hatch and House Ways and Means Chairman Kevin Brady (R-Texas) have stated their intentions to work closely to move a tax reform package. As Congress contemplates tax reform in 2017, LIFO repeal remains a very attractive target to help pay for the move to a newer system and a lower overall rate.

Taxes are also under the microscope at the state level, with roughly 30 states predicting a budget shortfall for the 2017 fiscal year. While not every state has a balanced budget requirement, each state will have to come to a determination on how to raise additional revenue or cut spending in order to avoid a systemic budget shortfall in future years.

In an effort to mitigate the $1.3 billion deficit facing Oregon over the next two years, local and national union members developed Measure 97 for the 2016 ballot which would have increased the minimum corporate tax by establishing a 2.5 percent tax on corporate gross sales that exceed $25 million. On election day, voters overwhelmingly opposed Measure 97, with 59 percent voting against the measure. While the measure was soundly defeated, the budget deficit within Oregon still looms and the state legislature will need to be closely monitored as it attempts to identify a remedy for their budget woes.
TAXES (continued)

The ballot measure in Oregon is an example of a state looking to fill a budget deficit by considering gross receipts taxes, rather than increasing corporate income taxes. Similar examples include Ohio’s Commercial Activity Tax (CAT), Texas’ Margins Tax, Nevada’s Commerce Tax and Washington State’s Business & Occupations Tax.

During the 2017 legislative session, HDA anticipates discussions will continue in Nevada, Ohio, Texas and Washington on their current gross receipts tax structures. New states will likely consider adding or enhancing this taxing structure, including Connecticut, New Mexico, Utah and continued consideration in Oregon.

STATES WITH GROSS RECEIPTS TAX IMPLICATIONS

- **Delaware Gross Receipts Tax**: Tax rate is dependent on business activity within the state; wholesalers are taxed at 0.3983 percent with a $100,000 monthly exclusion. Delaware does not impose a retail sales tax.

- **Nevada Commerce Tax**: Tax rate is based on NAICS Industry code; the wholesale rate is 0.101 percent.

- **New Mexico Gross Receipts Tax**: Tax rate is dependent on business activity and the county the business is located in. Functionally similar to a retail sales tax.

- **Ohio Commercial Activity Tax (CAT)**: Levies a minimum tax of $2,600 on businesses with revenues over $4 million, then levies a 0.26 percent tax on revenues in excess of $1 million.

- **Washington Business & Occupations Tax**: Tax rate varies by classification; the wholesale rate is at .00484 percent with the pharmaceutical wholesale rate at .00138 percent.

- **Texas Margins Tax**: Calculates a business’ margin as the lesser of 70 percent of total revenue, total revenue minus $1 million, total revenue minus cost of goods sold, or total revenue less compensation. Wholesalers are taxed at a reduced rate of 0.375 percent.
PHARMACEUTICAL PRICING MEASURES

Early in 2016, Congress began to examine significant price increases for single-source drugs serving small patient populations. As congressional and media attention increased, the scope of House and Senate inquiries broadened to include drugs that had much wider use. A number of House and Senate hearings examined possible legislative proposals, including price transparency, allowing importation to spur competition, and expediting FDA drug approvals in non-competitive drug spaces. There were reviews of restricted distribution networks, possible manipulation of the Risk Evaluation and Mitigation Strategies (REMS) processes and the Medicare Part D non-interference clause. We expect the new Congress to continue to look at issues related to price transparency and examine how and why prices increase.

From establishing a health insurance exchange to expanding Medicaid, some of the most contentious issues facing state legislatures over the last several years have centered on healthcare. As a result, costs within the system have taken center stage and during the 2016 legislative session, the focus was clearly on the cost of pharmaceuticals. In total, HDA was tracking 32 pieces of legislation being considered within the states to address the issue of pharmaceutical price transparency. Only three ultimately became law.

On June 2, 2016, Governor Peter Shumlin (D) of Vermont signed Senate Bill 216, making Vermont the first state to require justification on pharmaceutical price increases. Manufacturers of drugs that have increased 50 percent over the previous five-year period or 15 percent over a 12-month period must submit a written justification for the price increase. Many other states passed legislation to study the issue of rising drug prices, including Washington (S. 5857) which initiated a study on the full supply chain. In an effort to address the issue through the state’s budgeting process, New York Governor Andrew Cuomo’s (D) 2016-17 Executive Budget would allow the state’s health department to set a “ceiling price” on certain critical prescription drugs and require a minimum rebate to the state’s Medicaid program.

Additionally, during the 2016 election California voters were presented with Proposition 61, which would have prohibited the state from paying more for a prescription drug than the United States Department of Veterans Affairs (VA). Voters defeated the measure by a vote of 53 percent to 46 percent. While the California measure was defeated, Ohio voters will be presented with the Ohio Drug Price Standards Initiative or the Ohio Drug Price Relief Act on the 2017 ballot — almost an exact replica of California’s Proposition 61. HDA will be monitoring the progress of the initiative in 2017.

Moving into 2017, it is clear that drug cost transparency will remain a priority issue for state and federal governments.

MEDICARE REIMBURSEMENT

Last year, the Center for Medicare and Medicaid Innovation (CMMI) proposed a demonstration project to modify payment for prescription drugs covered under Part B of the Medicare program. According to CMMI, the proposed rule was designed to test different physician and patient incentives to “drive the prescribing of the most effective drugs and test new payment approaches to reward positive patient outcomes.” CMMI recently indicated they will not finalize the proposed rule.

With Congressman Tom Price (R-Ga.) nominated to replace Secretary Sylvia Burwell as Secretary of Health and Human Services (HHS) and Seema Verma as Administrator of Centers for Medicare and Medicaid Services (CMS), we expect significant changes in priorities related to both the Medicare and Medicaid programs.
DRUG DISPOSAL

Across the country, states and counties have introduced various proposals to provide for the proper disposal of prescription medications and over-the-counter products. In some cases, the motivation is to curb prescription drug abuse by reducing the availability of unused pharmaceuticals. In other instances, there is a desire to address environmental concerns related to proper disposal.

Since the Alameda County (California) Board of Supervisors passed its Safe Drug Disposal Ordinance in 2012, similar “Extended Producer Responsibility” (EPR) ordinances have been initiated in cities and counties across the state, including Capitola, Los Angeles County, Marin, Santa Clara, San Francisco, San Mateo, Sonoma and Santa Cruz. This trend expanded to other states in 2016. Snohomish County in Washington established an ordinance to require producers (manufacturers of covered drugs) to participate in the medication education and disposal (MED) product stewardship plan, a similar approach to that in neighboring King County. Kitsap and Tacoma-Pierce Counties in Washington state passed disposal ordinances in December 2016, both requiring pharmaceutical manufacturers to establish a secure medicine return system for county residents. Cook County, Illinois also established a product stewardship ordinance in late 2016 due to environmental safety concerns. While several states attempted to pass legislation to require state-wide safe disposal programs, none were successful. HDA expects additional states to consider the state-wide approach in 2017. The majority of these disposal efforts have focused their attention on pharmaceutical manufacturers from both a funding and operational perspective.

At the federal level, legislation was introduced in the 114th Congress requiring producers of prescription drugs to fund and establish disposal sites at dispensing locations (H.R. 4931) and two bills were introduced providing tax credits or federal grants to private entities to maintain drug disposal sites (H.R. 2463, H.R. 5194). None of these bills passed.

Legislative proposals to address the disposal of pharmaceuticals continue to be under discussion within state and local governments. In 2017, HDA anticipates continued work in the states in addition to the continued momentum at the county level.

IMPLEMENTATION OF THE DRUG SUPPLY CHAIN SECURITY ACT (DSCSA)

For nearly a decade, primary pharmaceutical distributors advocated for a national uniform framework to trace prescription medicines throughout the supply chain, resulting in the passage of the Drug Supply Chain Security Act (DSCSA, Public Law 113-54) in 2013. The previous 50-state patchwork of rules and regulations has now been replaced with one federal traceability solution that will ensure regulatory clarity and consistency, help prevent counterfeits, discourage gray market activities, and further enhance the safety and efficiency of the supply chain for all Americans by the year 2023. In addition to DSCSA traceability requirements, HDA also supports strong, consistent distributor licensing as a critical component to ensure that criminals do not infiltrate the domestic supply chain.

HDA has been actively engaging supply chain stakeholders and regulators to work collaboratively toward effective implementation of the law.

As the DSCSA phases in over the next several years, states need to modify existing laws to conform with the requirements included within the DSCSA. In 2017, HDA anticipates that at least seven states will consider legislation or regulatory changes to implement DSCSA.
HDA PAC AND ADVOCACY
The year 2016 was a historic one for the HDA Political Action Committee (PAC), the official PAC for primary pharmaceutical wholesalers. Not only did HDA PAC raise more than $100,000, but it set records for new contributors, number of total contributors, and number of contributors giving at the Chairman’s Club level ($3,000–$5,000).

The PAC focuses on advancing distribution causes and interests with federal legislators, and contributes to House and Senate legislators on key congressional committees, including the House Energy and Commerce Committee, the House Ways and Means Committee, the Senate Finance Committee, the Senate Health, Education, Labor and Pensions Committee, as well as leadership. Additionally, HDA PAC recognizes champions on both sides of the aisle who meet its contribution criteria.

**THANK YOU TO THE FOLLOWING HDA PAC SUPPORTERS:**

**The Chairman’s Circle ($3,000–$5,000)**
- AmerisourceBergen PAC*
- Ann Bittman, HDA*
- Maria Burns, Burlington Drug Company
- Cardinal Health PAC*
- Curascript/Express Scripts Political Fund*
- Ken Couch, Smith Drug
- Paul Dickson, Morris & Dickson*
- Greg Drew, Value Drug
- Kristen LaRose Freitas, HDA
- Perry Fri, HDA
- Elizabeth Gallenagh, HDA
- Jon Giacomin, Cardinal Health
- John Gray, HDA*
- Patrick Kelly, HDA*
- Robert Mauch, AmerisourceBergen*
- GK Richards, Capital Wholesale Drug Co.
- Chris Smith, H. D. Smith*
- Dale Smith, H. D. Smith
- McKesson Employees PAC*
- Mark Walchirk, McKesson

* Indicates individual or PAC giving the maximum legal amount - $5,000 annually

**The President’s Circle ($1,000–$2,999)**
- Dawn Boyter, Richie Pharmacal Co.
- Anita Ducca, HDA
- Michael Faul, Miami-Luken
- Jeff Foreman, Smith Drug
- Scott Franklin, Top Rx
- Hal Harrison, Mutual Drug
- Sam Lazich, DMS Pharmaceutical Group, Inc.
- Joseph Mastandrea, Miami-Luken
- Karen Ribler, HDA
- Raul Rodriguez Font, Drogueria Betances
- Lenny Rodriguez, Attain Med
- Ted Scherr, Dakota Drug
- Mary Tim Smith, R&S Northeast
- Todd Szewc, Keysource Medical

**PAC Member ($100–$999)**
- Jeremy Burke, HDA
- Linda C. Hoyt, HDA
- Jewelyn Cosgrove, HDA
- Lonna DeBardi, HDA
- Matt DiLoreto, HDA
- Anne Johnson, HDA
- Leah Lindahl, HDA
- Ruth Miller, HDA
- Benjamin Mink, Miami-Luken
- Brooke Naylor, HDA
- Rita Norton, AmerisourceBergen
- John Parker, HDA
- Keith Patek, Prodigy Health Supplier Corporation
- Pete Slone, McKesson
- Al Thomas, Vaxserve
- Chris Vaughan, McKesson

“I am proud to be a long-time supporter of the HDA PAC. Contributing to the PAC and participating in the political process is an important opportunity for all HDA members. HDA has been very successful in leveraging PAC resources to help cultivate and support legislative leaders that are true advocates for the supply chain.”

– Greg Drew, President, Value Drug Company
Member of the HDA Executive Committee, the HDA Board of Directors and the HDA PAC Advisory Group
PAC RECIPIENTS

HDA PAC disbursed $92,500 to candidates for the House and Senate and attended fifty separate events on behalf of HDA PAC to support members of Congress. Only one candidate supported by HDA PAC lost re-election, Senator Kelly Ayotte (R-N.H.) The full list of PAC disbursements in 2016 is included below:

Senate
- Senator Kelly Ayotte (R-N.H.) – (Did not win re-election)
- Senator Michael Bennet (D-Colo.)
- Senator Sherrod Brown (D-Ohio)
- Senator Richard Burr (R-N.C.)
- Senator Bob Casey (D-Pa.)*
- Senator Bill Cassidy (R-La.)*
- Senator Chuck Grassley (R-Iowa)
- Senator Orrin Hatch (R-Utah)*
- Senator Patrick Leahy (D-Vt.)
- Senator Chris Murphy (D-Conn.)*
- Senator Patty Murray (D-Wash.)
- Senator Rob Portman (R-Ohio)
- Senator Marco Rubio (R-Fla.)
- Senator Tim Scott (R-S.C.)
- Senator Pat Toomey (R-Pa.)
- Senator Sheldon Whitehouse (D-R.I.)
- Senator Ron Wyden (D-Ore.)
* Senator was not in cycle during the 2016 election season.

House
- Rep. Marsha Blackburn (R-Tenn.-7)
- Rep. Kevin Brady (R-Texas-8)
- Rep. Susan Brooks (R-Ind.-5)
- Rep. Michael Burgess (R-Texas-26)
- Rep. Buddy Carter (R-Ga.-1)
- Rep. Jason Chaffetz (R-Utah-3)
- Rep. Judy Chu (D-Calif.-27)
- Rep. Diana DeGette (D-Colo.-1)
- Rep. Charlie Dent (R-Pa.-15)
- Rep. Bob Goodlatte (R-Va.-6)
- Rep. Brett Guthrie (R-Ky.-2)
- Rep. Ron Kind (D-Wis.-3)
- Rep. Bob Latta (R-Ohio-5)
- Rep. Tom Marino (R-Pa.-10)
- Rep. David McKinley (R-W.Va.-1)
- Rep. Frank Pallone (D-N.J.-6)
- Rep. Erik Paulsen (R-Minn.-3)
- Speaker Paul Ryan (R-Wis.-1)
- Rep. Terri Sewell (D-Ala.-7)
- Rep. Mike Thompson (D-Calif.-1)
- Rep. Pat Tiberi (R-Ohio-12)
- Rep. Fred Upton (R-Mich.-6)
- Rep. Peter Welch (D-Vt.-Ala.)

Other Groups
- Republican Main Street Partnership PAC
- Senate Moderate Democrats PAC

DISBURSEMENTS — BY PARTY AFFILIATION —

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<th>REPUBLICANS</th>
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$44,000 to U.S. SENATE CANDIDATES

$48,500 to U.S. HOUSE CANDIDATES
ADVOCACY
HDA thanks the following members for their active engagement in advocacy this year by participating in Hill visits, state lobby days, and distribution center tours.
CONCLUSION
The composition of the next Congress and the state legislatures will help shape HDA’s strategies for pursuing favorable legislative proposals and advocating on behalf of the industry. The next year will require proactive efforts on behalf of HDA members to promote the essential role each company plays in local communities and advocate on such issues as comprehensive tax reform, prescription drug abuse, Medicare reimbursement, wholesaler licensure and traceability implementation.

While the 2016 legislative cycle was very successful for HDA, we expect significant challenges on a variety of fronts in 2017. HDA will continue to advocate for policies that promote a safe and secure supply chain and a productive and thriving business culture for our member companies.

CONTACT

Should you have any questions about the impact of the election or the months ahead, please contact HDA government affairs staff.

Patrick Kelly – Executive Vice President, Government Affairs
Elizabeth A. Gallenagh – Senior Vice President, Government Affairs and General Counsel
Kristen L. Freitas – Vice President, Federal Government Affairs
Jewelyn Cosgrove – Associate Director, Federal Government Affairs
Matt DiLoreto – Vice President, State Government Affairs
Leah Lindahl – Senior Director, State Government Affairs
Jeremy Burke – Analyst, State Government Affairs
Pam A. Ritter – Senior Administrator, Government Affairs