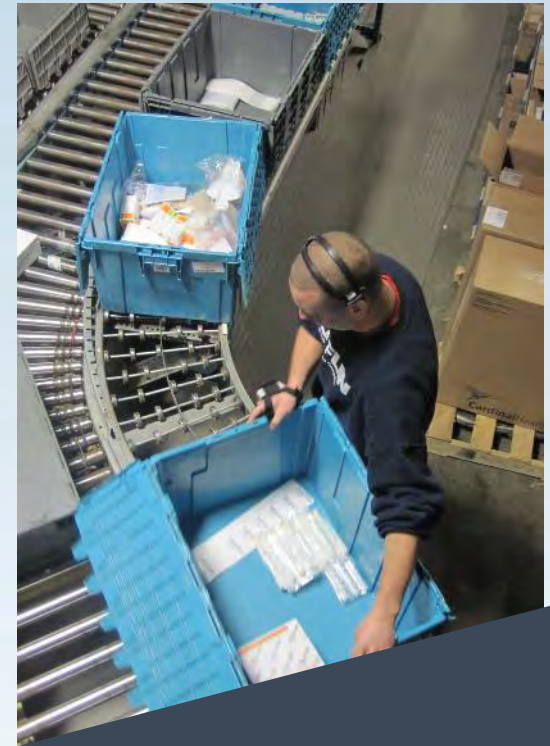


Healthcare Distribution | *Overview*



The Medical Products Supply Chain Is Global



The US Distribution Supply Chain Is Local

Hundreds of distribution centers within a 50-mile radius of most urban centers



Healthcare Providers Rely On Distributors For Their Supplies



Thousands Of Manufacturers Worldwide



Hundreds Of US Distributors



6,000 Hospitals

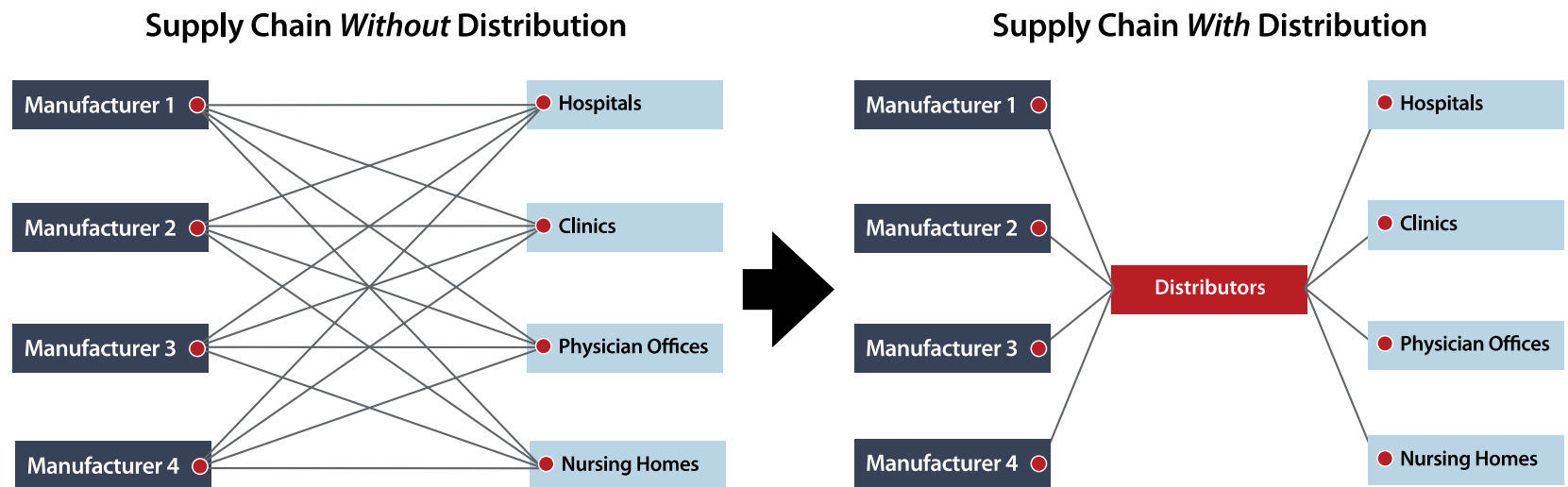


44,500 Nursing Homes And
Assisted Living Facilities



230,000 Physician Offices
And Clinics

Distributors Save Healthcare Providers Time And Money While Delivering The FDA-Approved Supplies They Need





A close-up photograph of a person's hand holding a yellow pencil, writing the number '3' on a piece of lined paper. The hand is positioned on the left side of the frame, with the thumb and index finger gripping the pencil. The pencil is angled towards the bottom right, where the number '3' is being written on the third line from the top. The paper is white with horizontal blue lines. In the background, there is a repeating pattern of faint, light blue text, which appears to be a watermark or a background design. The text is arranged in a grid-like pattern, with words like 'CS', 'BX', 'EH', and 'EN' visible. The overall lighting is bright, and the focus is sharp on the hand and the pencil tip.

Distributors Secure, Store, And Deliver Thousands Of Types Of Products



20–30 Day Supply

Diagnostics



Infection Prevention



Personal Protection



Treatment Products



Healthcare Providers Aren't In the Logistics Business



Managing inventory is expensive and takes up space

Products must be handled and stored properly to ensure quality and security



Large inventories risk expiration, damage, and obsolescence



Providers need to optimize space for patient care

Distributors Are Logistics Experts



Dedicated warehouse space



Formulary support and
data services



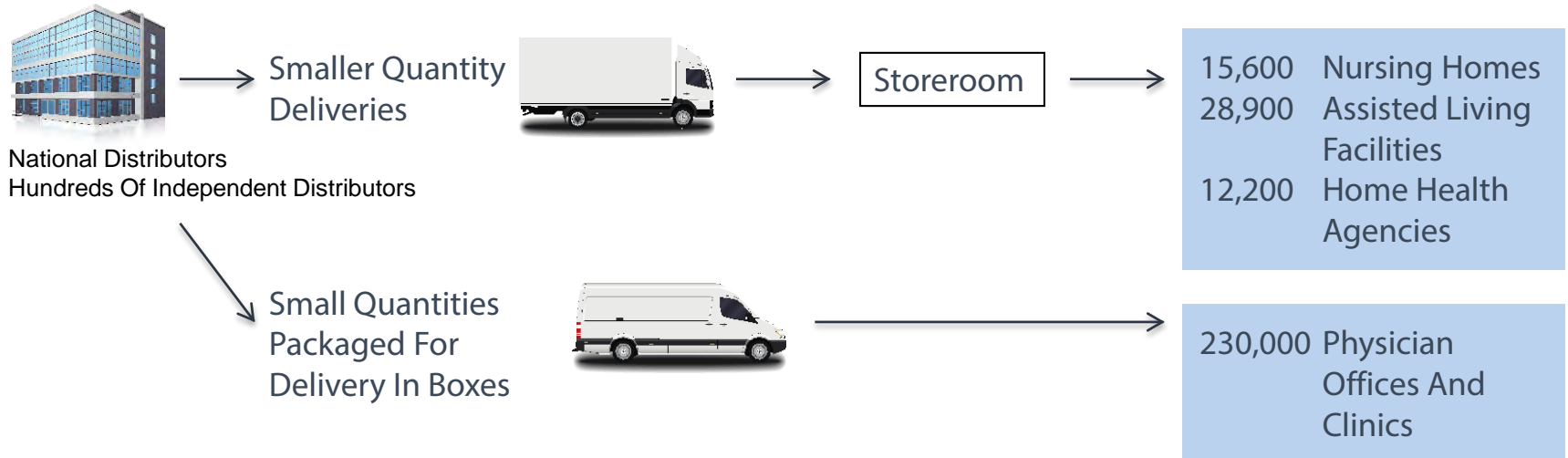
Low-unit-of-measure
programs

Distribution Varies By Provider Setting

Hospital Distributors



Nursing Homes, Physicians' Offices Distributors



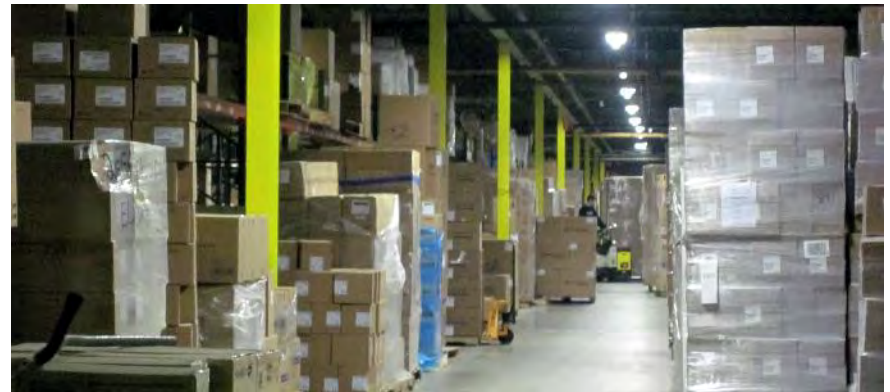
Distributors Are A Critical Part Of Crisis Response



- Automatic reorders in the event of communications failure
- Automated tracking of inventories, average usage rates
- Automatic item substitution for critical items



Weather alerts, alternate delivery routes



Sequestered products reserved for specific customers based on agreed-upon inventory levels

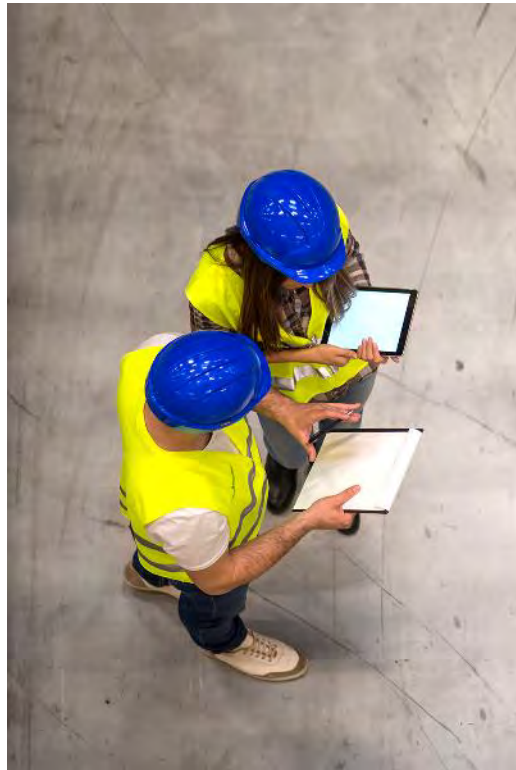
Distributors Responded To COVID-19 Quickly



Vetted and onboarded
new suppliers



Expedited shipping and
delivery to hotspots to all
healthcare provider
settings



Coordinated with current
suppliers to ramp up
production



Identified appropriate
product substitutions



Helped healthcare providers
determine supply availability
and delivery dates

COVID-Driven Demand Created Supply Problems That Have Challenged The Supply Chain

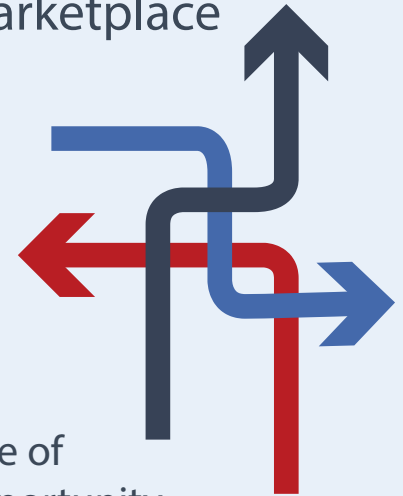


- Huge and fast: Up to 17x from hospitals
- Worldwide
- New and non-traditional buyers entered the market



COVID-19 originated in a major PPE manufacturing center causing extended regional closures

Entry Of Brokers
Created A “Wild West”
Marketplace



Rise of
opportunity
marketplace
where brokers with no
healthcare experience
engaged in fraud and
profiteering

Brokers Aren't Distributors



Price

Brokers

One-time deals for the highest price

Distributors

Prices based on long-term relationships and contracts with manufacturers and healthcare providers



Safety

No guarantee that manufacturers were vetted or that broker has experience in healthcare supply

Sourced from vetted and FDA-approved manufacturers



Quality

Only negotiate, no guarantees of product delivery or condition

Take possession of products and deliver to healthcare provider

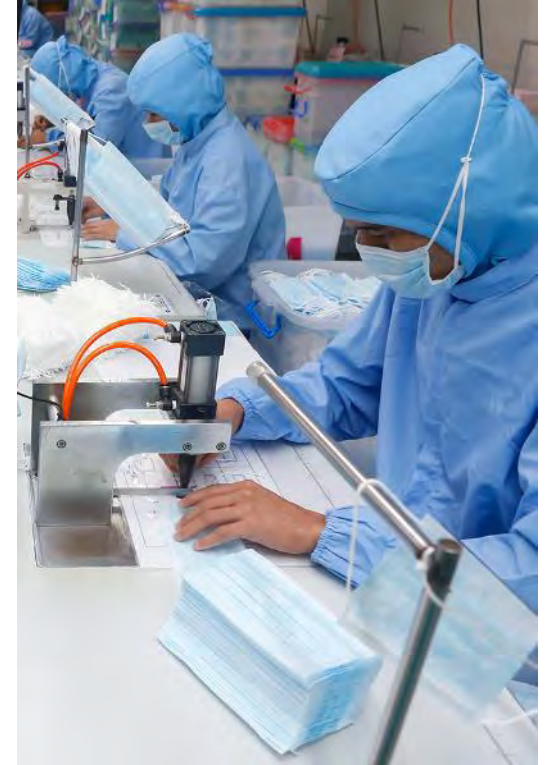
Distributors Support Policy And Legislation That:



Creates a partnership
with government and
distributors

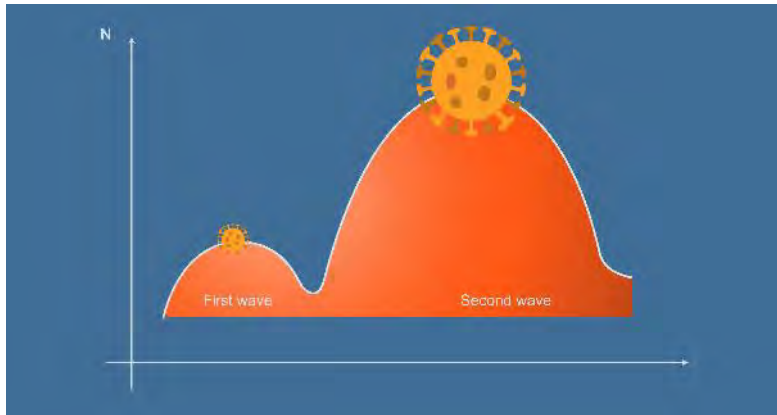


Taps distributor expertise to
establish and manage
national reserve of key
medical supplies



Identifies ways to diversify
production

Distributors Are Ready To Work With Public Partners, Healthcare Providers, Legislators And Regulators To Meet Future Challenges



Second Wave



Increased Testing



Resumption Of Elective Surgery



Nationwide Vaccine Delivery



HIDA.org