

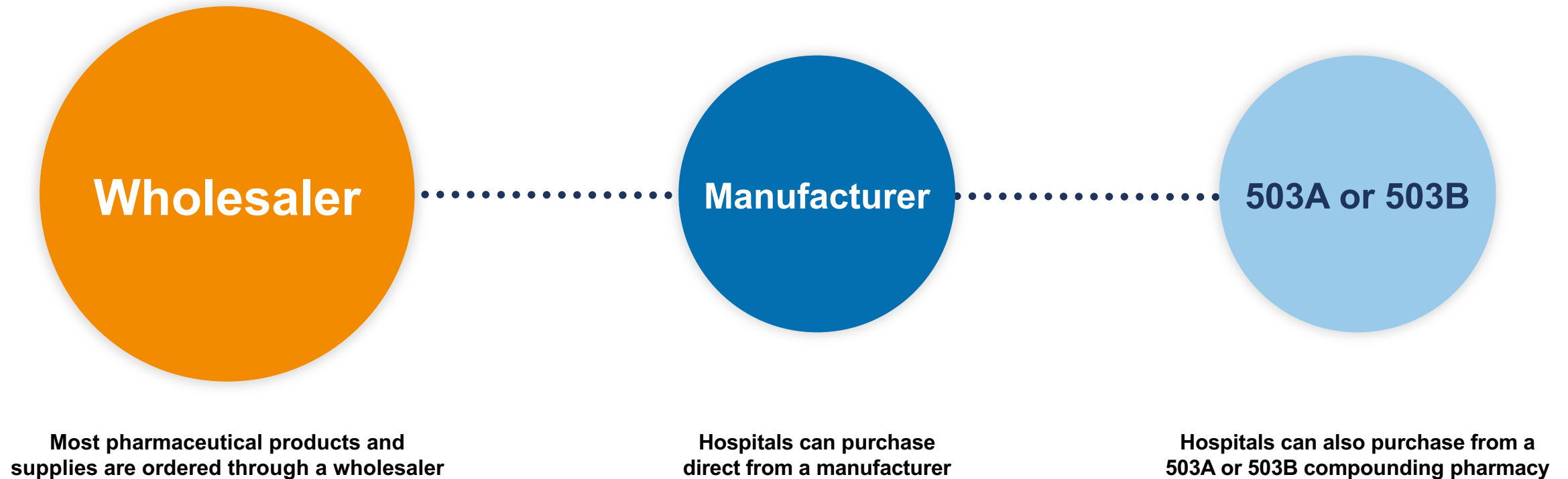


Pharmaceutical Distribution Models

Ken Gagnon, AVP Strategic Partnerships



Pharmaceutical Distribution Models for Hospitals and Physician Practices



Agenda

Traditional Distribution Channels for Hospitals

Specialty, Plasma and Biologic Distribution

Specialty Oncology Distribution

Physician Practice Distribution

Traditional Distribution for Hospitals



Streamline

In place of ordering from hundreds of different manufacturers, buyers can save time and resources by ordering from one distributor



Procured Under a Pharmacy License

The buyers can save time and resources by ordering from one distributor



The Products

The Catalog for mainline distribution is wide-reaching and includes the pharmaceutical and ancillary items to run a pharmacy



Fulfillment Center

Wholesalers use large distribution fulfillment centers spread across the country to fulfill order requests



Courier Services

National and Local courier services are utilized to distribute the products



Specialty Distribution for Hospitals

Pharmacy Distribution Models

Specialty Medications Defined



Medications used to treat a chronic, complex, or rare disease



High in cost, or require high touch services to administer



Typically, \$670 per month



Require special handling, like refrigeration



May involve limited distribution products, and orphan products

Specialty, Plasma, and Biologic Distribution

- **Medications like blood factor products**
- **Require higher touch distribution and tighter controls**
- **Procured under a pharmacy license**
- **Major wholesalers have separate specialty distribution**



Specialty GPO Distribution for Hospitals

Specialty Group Purchasing
Organization Distribution

McKESSON



**McKesson Plasma
and Biologics**

cencora



ASD



Cardinal SPD



Specialty Distribution for Physician Practices

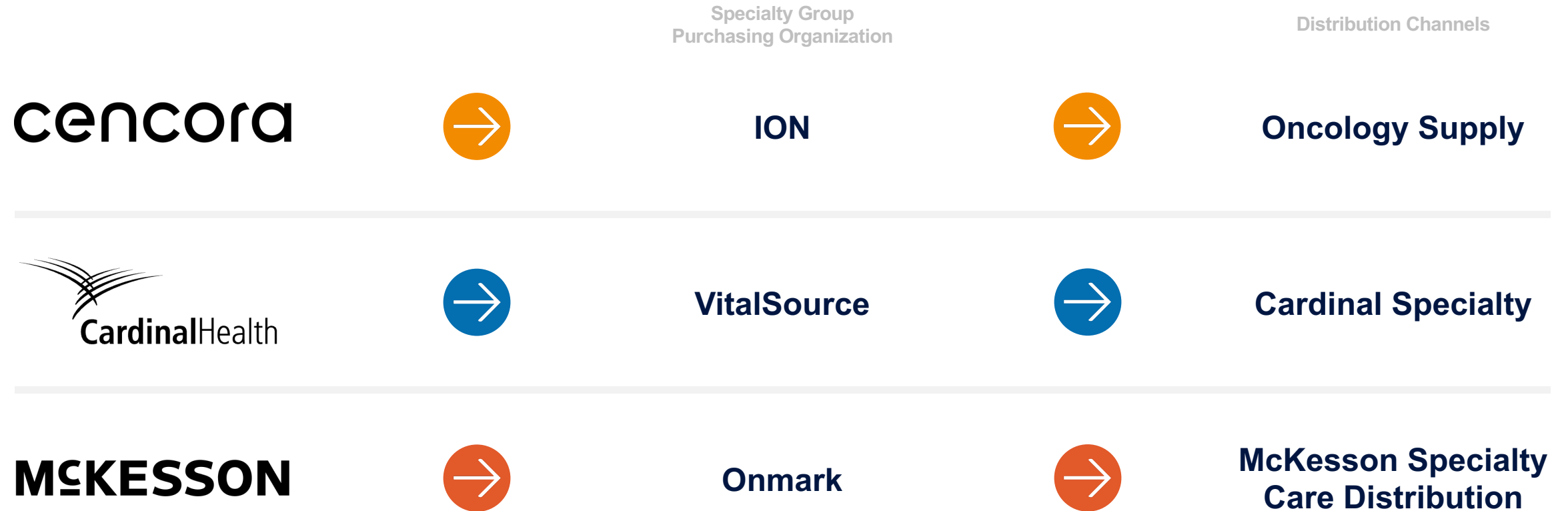
Pharmacy Distribution Models

Oncology Distribution for Clinics

- **Purchased under a clinic license**
- **Limited number of products, around 300**
- **The focus is on oncology but may include other “ology” drugs**
- **Each major wholesaler has a Specialty Group Purchasing Organization**



Specialty GPO Distribution for Clinics





Traditional Physician Practice Distribution

Pharmacy Distribution Models

Traditional Physician Practice Distribution

- **Equipment and supplies to run a physician's office**
- **Smaller units to cater to lower volume needs**
- **Less frequent orders from the distributors**
- **Purchased under the license of a practice, not a pharmacy**

