Flu Vaccine Supply: The Critical Role of Distributors

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HIDA (Health Industry Distributors Association)
What is HIDA? Who Are Our Members?

- A trade association, founded in 1902, representing medical products distributors

- 200 Member companies operating 432 distribution centers in the United States

- HIDA Distributor Members Serve:
  - 159,000 physician office accounts
  - 5,200 hospitals
  - 19,500 long-term care facilities

- HIDA Distributor Member Profile
  Distributor Markets:
  - 60% serve physician offices
  - 40% serve hospitals
  - 30% serve long-term care facilities

Most members serve more than one market
Flu Vaccine Distribution Overview
Two Ways Vaccine Gets to Market

**Manufacturer**
- Released weekly by Lot
- Lots of ~400-500,000 doses

**DIRECT**
- ~50% of total supply

**CUSTOMERS**
- Pharmacies
- Hospitals
- Mass immunizers
- Public Health
- Retail outlets
- Physicians/Long term care

**TO DISTRIBUTORS**
- ~8 of 10 doses go to physician office or clinic
- Small average order size
- Shipped 1 to 3 days after receipt from manufacturer

**~50-75,000 CUSTOMERS**
- Doctors offices
- Clinics
- Other small providers
- Nursing homes
Who Are Vaccine Distributors?
Approx. 25 nationwide – many of which are also HIDA members, including:

- Anda, Inc
- Caligor Medical
- Darby Drug Co., Inc.
- DiaMed, Inc.
- Dubin Medical
- Edwards Medical Supply
- General Injectables & Vaccines, Inc (GIV)
- Henry Schein Medical
- VaxServe, Inc
- Insource, Inc
- Lake Erie Medical, Surgical
- McKesson Medical-Surgical
- Medical Wholesale, Inc
- MedSurg Supply, Inc
- Moore Medical
- Seacoast Medical
- STAT Pharmaceuticals, Inc
- Cardinal Health, Inc.
2005–2006 Supply Breakdown

- 62.5% Manufacturer Direct
- 36% Distribution
- 1.5% Not Sold

Source: 2005 CDC/AMA Flu Summit Presentations

Markets Served by Distributors (approx.)

- 80% Physician offices, clinics, and other small providers
- 20% Hospitals, public health departments, long term care, retail/mass immunizers.
2006–2007 Supply Breakdown (approx.)

50% Manufacturer Direct

50% Distribution

Source: CDC/HIDA 2006 Data

Markets Served by Distributors (approx.)

80%

Physician offices, clinics, and other small providers

20%

Hospitals, public health departments, long term care, retail/mass immunizers.
Supplying the Doctor’s Office is Critical

5. In 2005-2006, more Americans got their flu shot from a physician’s office than any other place.

- 39% at a doctor’s office/HMO
- 17% at their place of employment
- 10% at a clinic or community health center
- 10% at a retail setting (grocery or drug store)
- 8% at a health department
- 6% at a hospital or emergency department
- 4% at a senior/recreation center
- 4% at a site classified as “other”
- 2% at a school

Source: Centers for Disease Control and Prevention - Influenza Vaccine Supply Surveys 2005-06 (Gallup Results)
Observations

- Distributor companies are customers of the vaccine manufacturers. As soon as a distributor receives vaccine from the manufacturer, it is shipped to their customers – usually within 1-2 days.

- Different types of vaccine providers receive their vaccine from different sources – some get their vaccine direct from the manufacturer, some receive vaccine from distributor companies.

- Distributor companies overwhelmingly serve physician offices and serve relatively few retail outlets.

- In lieu of a more modern and predictable manufacturing process, improved communication and education is needed to ensure public health goals are achieved. Currently, mixed signals seem to be fueling provider frustration.