The Critical Role of Distributors and Suppliers in the Vaccine Supply Chain

CDC/AMA Flu Summit Presentation  June 2009
Andrew E. Van Ostrand, HIDA Vice President of Policy

About HIDA

- The Health Industry Distributors Association (HIDA) is a Washington, D.C. - based professional trade association

- HIDA represents more than 160 medical products Distributor companies and approx. 150 medical products manufacturers through our Foundation, including the majority of flu vaccine Distributors, many vaccine producers, and the manufacturers of many ancillary vaccine products such as diagnostic tests and syringes

- We formed the Flu Vaccine Business Practices Initiative 3 years ago to help educate stakeholders on the role of our member companies and stress the importance of increasing vaccination rates.

- We have been actively involved in the Flu Summit since its inception
A Unique Supply Chain with Diverse Provider Customers

- **Direct from Manufacturer**
  - 50% of Total 2007-2008 Supply
  - Larger Customers:
    - Retail outlets
    - Pharmacies
    - Hospitals
    - Mass Immunizers
    - Public Health
    - Physicians/Long Term Care
- **Via Distributors**
  - 50% of Total 2007-2008 Supply
  - Smaller Customers:
    - 50,000-15,000 providers, including:
      - Physicians
      - Clinics
      - Nursing homes
      - Other small providers

Reprinted from HIDA's 2007-2008 Influenza Vaccine Production & Market Brief

A Two-Pronged Channel

**Figure 2: Percentage of Vaccine Sold by Channel in 2007–2008**

- 50% Direct from Manufacturer
- 50% Through Distributors

Source: HIDA research

Reprinted from HIDA’s 2007-2008 Influenza Vaccine Production & Market Brief
A Continued Gap Between Supply and Demand

Figure 4: Influenza Vaccine Production for the U.S. Market, (2000-2001 through 2007-2008)

Sources: U.S. Centers for Disease Control and Prevention
Reprinted from HDA’s 2007-2008 Influenza Vaccine Production & Market Brief

The Importance of the Physician-Distributor Relationship

Figure 6: Sites for Flu Vaccination: Actual vs. Preferred

<table>
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<th>18–49</th>
<th>50–64</th>
<th>65+</th>
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<tbody>
<tr>
<td>Doctor’s office</td>
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<tr>
<td>Actual</td>
<td>46%</td>
<td>39%</td>
<td>45%</td>
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<tr>
<td>Preferred</td>
<td>59%</td>
<td>46%</td>
<td>52%</td>
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<td>Workplace</td>
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<tr>
<td>Actual</td>
<td>26%</td>
<td>18%</td>
<td>1%</td>
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<tr>
<td>Preferred</td>
<td>25%</td>
<td>17%</td>
<td>0%</td>
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<tr>
<td>Clinic/community health center</td>
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<tr>
<td>Actual</td>
<td>4%</td>
<td>16%</td>
<td>18%</td>
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<td>Retail Store</td>
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<td>Actual</td>
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<td>8%</td>
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<tr>
<td>Preferred</td>
<td>0%</td>
<td>2%</td>
<td>5%</td>
</tr>
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Source: Centers for Disease Control and Prevention/Gallup Organization, courtesy of the American Academy of Family Physicians (2006-2008)
Reprinted from HDA’s 2007-2008 Influenza Vaccine Production & Market Brief
The Challenges of an Unpredictable Supply

Opportunities
- HIDA has strong commitments from its Distributor and Manufacturer member companies for this season
- We are poised and ready to help educate providers and stakeholders on a wide range of issues
- We have strong, valued relationships with many non-member partners: CDC/AMA, NPID, Immunization Action Coalition
- Flu is in the news and in the minds of more and more Americans

Challenges
- Closing the supply/demand gap – increasing vaccination rates
- H1N1
- Relative unpredictability of supply
- State and federal legislative activity