The Role Of Distributors In The Flu Products Supply Channel

National Adult and Influenza Immunization Summit (NAIIS) Virtual Influenza Summit

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How Do Providers Obtain Vaccine?

Healthcare Providers Rely On Distributors For Supplies

Distributors Provide Access To Thousands of Manufacturers’ Products Through One Channel

How Might COVID Impact Flu Vaccine Distribution?

• More demand
• Shift in vaccination settings?
• PPE: increased demand exacerbating shortages
• Other potential challenges: needles and syringes, especially if COVID vaccine becomes available during this flu season

COVID-driven Demand Has Created Supply Problems That Have Challenged The Supply Chain

INCREASED DEMAND
Flu and test: Up to 17x from hospital
Worldwide
New and non-traditional buyers entered the market

DECREASED SUPPLY
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
Distributors Responded To COVID-19 Quickly

Increased delivery of products to hotspots
Exposed shipping
Vetted and reestablished new suppliers
Coordinated with current suppliers to ramp up production

Don’t Confuse Distributors With Brokers

<table>
<thead>
<tr>
<th>Brokers</th>
<th>Distributors</th>
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<tbody>
<tr>
<td>Prices based on long-term relationships and contracts with manufacturers and healthcare providers</td>
<td>Vetted and onboarded new suppliers</td>
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<tr>
<td>No vetting of manufacturers or products, no experience in healthcare</td>
<td>Sourced from vetted and FDA-approved manufacturers</td>
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<tr>
<td>One time deals for the highest price</td>
<td>Only negotiate, no guarantee of product delivery or condition</td>
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<tr>
<td>No vetting of manufacturers or products, no experience in healthcare</td>
<td>Take possession of products and deliver to healthcare provider</td>
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