ICHP

Illinois Council of Health-System Pharmacists

ANNUAL MEETING 2021

September 23, 2021
Chicago, IL

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CONNECTING THROUGH CARE

The Certainty of Uncertainty for Global Supply Chain
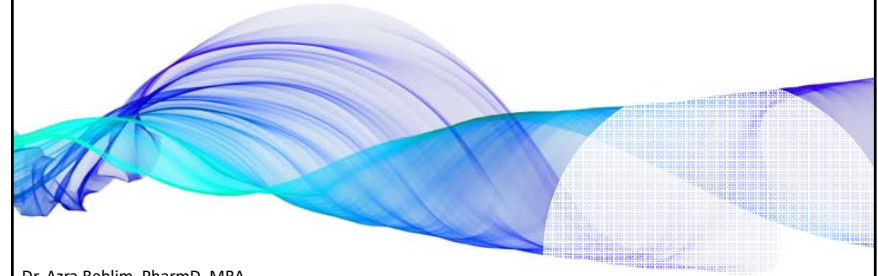
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vizient.

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No relevant financial relationships to disclose.

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The Certainty of Uncertainty for Global Supply Chain

Learning Objectives:

1. List the types of supply chain models used in the US for direct product delivery.

2. Identify the challenges and best practices for supply chain management at direct delivery care sites.

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Which of the following would help to reduce uncertainty at a site's supply chain?

A. Relationships with local distributors
B. Regular updates on drug shortages from the FDA
C. Routine review of inventory levels at the wholesaler
D. Risk mitigation strategy that accounts for 'hi' and 'low' scenarios
E. None of the above

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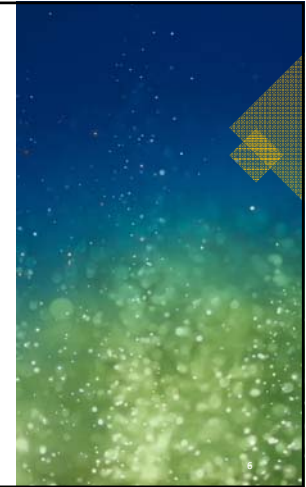## Types of Supply Chain Models

Manufacturer => Customer

Manufacturer => Distributor => Customer

Manufacturer => Distributor (electronic mgt)
       => Physical product distribution (drop-ship)
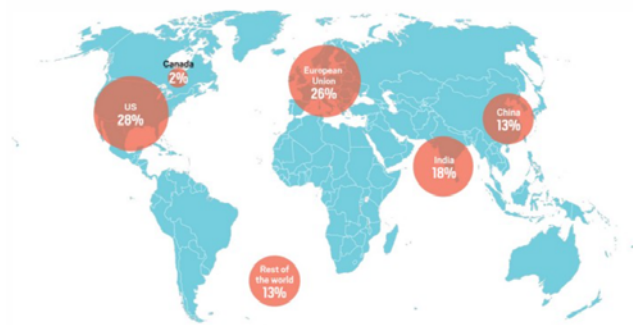
Manufacturer => US Govt. => States

Manufacturer => Patient

*States => local distributors; private distributors; local health depts.

Plants that are registered with the US to supply active pharmaceutical ingredients can be found all over the world.

Source: US Food and Drug Administration, August 2019.

Canada 2%
European Union 26%
US 28%
China 13%
India 18%
Rest of the world 13%

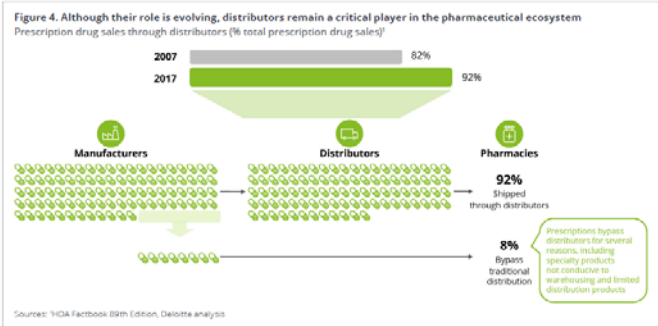BUILDING BRIDGES | CONNECTING THROUGH CARE | 2021 ICHP ANNUAL MEETING

FIGURE 1
National Drug Shortages - New Shortages by Year
January 2001 to March 31, 2021, % Injectable

Historically, generic injectable drugs accounted for about half of new shortages. While there was a decrease in this percentage for 2019, these products once again returned to 50% the following year.

Note: Each column represents the number of new shortages identified during that year.
University of Utah Drug Information Service
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Evolving Role of Distributors

Figure 4. Although their role is evolving, distributors remain a critical player in the pharmaceutical ecosystem
Prescription drug sales through distributors (% total prescription drug sales)

Sources: ¹HDA Factbook 89th Edition; Deloitte analysis.

Reprint permission from HDA Factbook

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Challenges in Current Supply Chain Models

- Antiquated Technology
  - Platforms
  - Infrastructure
- Transportation Network
- Drug Supply Shortages
- Panic Buying
- Lack of Risk Mitigation Plans
- Frequent Changes in management at customer sites

Vizient Presentation | Confidential Information

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Supply Chain Management: Best Practices

- Reliable IT infrastructure
- Quality and repeatable data to refine inventory
- Risk mitigation plans that account for "hi" and "low" factors
- Training and reference resources for all staff.

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Which of the following is not a supply chain model used in the US for pharmaceuticals?

A. States direct to pharmaceutical manufacturer
B. Pharmaceutical manufacturer direct to customer site
C. Federal government to states
D. Pharmaceutical manufacturer direct to distributor
E. Pharmaceutical manufacturer direct to patient

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Questions?

Dr. Azra Behlim, PharmD, MBA

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