HDA
Healthcare Distribution Alliance
HEALTH DELIVERED

October 19, 2023

Response to Questions for the Record from the Honorable Anna Eshoo

On behalf of the Healthcare Distribution Alliance (HDA), we wish to thank you for the opportunity to offer additional information on drug shortages and supply chain dynamics. We appreciated the opportunity for HDA's Chief Executive Officer Chester "Chip" Davis, Jr. to participate in the September 14th hearing, and support the Committee's mission as you seek to explore potential solutions to mitigate and manage drug shortages.

While HDA appreciates the opportunity to provide feedback on the questions for the record, and stands ready to engage with the Committee, we would like to do so within the respective scope of the distribution industry. We would prefer that any official response provided to the Committee is meaningful to the Committee's goal, established from our perspective, and is not in conflict with another industry that is more appropriate to answer.

Therefore, after careful review of the questions received, we determined, in consultation with our member companies, that HDA was not in a position to answer the questions other than to speculate or suggest other organizations that might be able to provide more clarity.

1. **Wholesalers have unparalleled insight into the ordering patterns of hospitals. Please work with your top three wholesalers to describe market dynamics over the last five years in the cisplatin and carboplatin markets and answer the following:**
    a. **For 340B entities, what was the unit market share of Intas Pharmaceuticals Ltd. (Intas) carboplatin and Intas cisplatin for each year between 2018-2022?**
    b. **For non-340B entities, what was the unit market share of Intas carboplatin and Intas cisplatin for each year between 2018-2022?**
    c. **Across the top 3 GPOs, how many had Intas on its contract during that time frame and when? For contracts with other manufacturers, what was the compliance rate? How has it changed over time and how did it differ across contracts?**

While we appreciate the question, and recognize the importance of 340B hospitals, this is not a question which can be answered by HDA. The contracting details between the manufacturer and hospitals are best to be answered by the manufacturer or GPO entities.

We would recommend that the Committee consult the Healthcare Supply Chain Association (HSCA), the trade association that represents hospital GPOs, who would be best suited to respond to these questions.

Additionally, trade associations representing manufacturers would be better suited to discuss the contracting principles that affect the 340B program.

2. **If the 340B Drug Discount Program were to exclude generic sterile injectables, 340B entities would be able to contract with GPOs. What is the level of savings for 340B hospitals you expect if Section 201 were to pass? How would it compare to current 340B discounts those entities obtain?**

We recognize that Section 201 of the discussion draft strives to relieve some of the inflationary pressure on generic manufacturers by exempting certain products from the 340B Drug Discount Program. We understand that the goal is for this provision to relieve requirements for manufacturers to provide discounts for low margin products.

According to a recent report from the Association for Accessible Medicines, this policy change would give manufacturers of generic sterile injectables the ability to invest in greater operational resilience for these products.

We encourage you to speak with manufacturers, health systems and GPOs to answer the questions you have related to the 340B drug discount program. These entities can also offer insights into the implications of these provisions on drug shortages.