



Healthcare Distribution Alliance

HEALTH DELIVERED

Chester "Chip" Davis, Jr., President and Chief Executive Officer

April 29, 2026

The Honorable Morgan Griffith  
Chairman, Subcommittee on Health  
Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Griffith:

Thank you for the opportunity to testify before the Subcommittee on Health on February 11, 2026, at the hearing entitled, "Lowering Health Care Costs for All Americans: An Examination of the Prescription Drug Supply Chain."

I have included my responses to the questions for the record below.

#### **The H. Morgan Griffith (R-VA)**

- 1. I have heard from pharmacies in my district that wholesalers increase the price of generic medicines to offset the discounts they give on brand medicines. This hurts the bottom line for pharmacies and increases costs for patients paying cash price. Does this align with your perspective?**

As the trade association representing wholesalers, due to antitrust considerations, HDA does not have visibility into wholesalers pricing for any products, including generic medicines.

However, broadly speaking, generic medicines operate within a highly commoditized marketplace. Distributors work to partner with numerous generic companies to support a robust market. Prices for these products often fluctuate and are influenced by market dynamics, including the number of manufacturers producing a given drug. As additional generic manufacturers enter the market, increased competition generally places downward pressure on prices.

While lower generic drug prices can reduce costs for providers and patients, they may also have unintended consequences. If prices decline to levels that are not economically sustainable, some manufacturers may exit the market for a given product. This can contribute to supply constraints or product shortages, which in turn can cause remaining manufacturers to assert upward pressure on pricing. Similar market dynamics exist for many other commoditized markets such as oil, natural gas and agricultural products, where supply disruptions or demand outpacing supply can lead to price increases.

#### **The Earl L. "Buddy" Carter (R-GA)**

- 1. In the context of our broader work to promote affordability, what are some of the major efficiencies distributors bring to the supply chain?**

Distributors are the backbone of the pharmaceutical supply chain, handling the vast majority of medicines dispensed in the United States.<sup>1</sup> Our thirty-six (36) members work each day to

<sup>1</sup> HDA Foundation, 96th Edition HDA Factbook: The Facts, Figures and Trends in Healthcare (published 2025), available at <https://www.hda.org/publications/96th-edition-hda-factbook-the-facts,-figures-and-trends-in-healthcare/>.

connect approximately 1,400 manufacturers to over 450,000 sites of care.<sup>2</sup> Distributors are unlike any other supply chain participant. They do not manufacture medicines, do not prescribe them, and do not dispense them to patients. Our industry's key role is to ensure that medicines travel from manufacturer to patient while making sure the supply chain is fully secure and as efficient as possible.

Distributors find the safest and most efficient ways to get products to where patients need them. Our distributor members use their logistics expertise to deliver approximately 10.5 million products daily while maintaining the lowest operating margins in healthcare.<sup>1</sup>

All HDA distributor members are headquartered in the United States and support more than 300,000 American jobs, contributing \$32.8 billion annually to our economy.<sup>3</sup> Across the country, distributors serve patients, our communities, and our country by working with supply chain partners to help ensure the safe and efficient distribution of critical medicines and healthcare products.

Distributors are integral to the success of our nation's healthcare system. Their operating model creates efficiency: streamlining the ordering and shipping functions required to move products from manufacturer to providers, and ultimately, the patient. While distributors do not directly interface with patients, their services are designed to support pharmacies and providers who do.<sup>2</sup>

Distributors provide a "one-stop shop" that simplifies ordering and delivery. Instead of healthcare providers placing orders with more than a thousand manufacturers every day, they can place a single order with their distributor in the evening and receive the products they need, typically the next morning. This reduces the administrative burden on the dispenser, freeing up time and resources that can be spent on other key functions — especially patient care.

Moreover, distributors eliminate the need for manufacturers to build and maintain the internal capacity to distribute products to each site of care. This efficiency that distributors deliver saves the healthcare system roughly \$78 billion annually.<sup>4</sup>

Thank you for the opportunity to respond. I look forward to continuing to work with you on these important issues.

Sincerely,



Chester "Chip" Davis, Jr.

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<sup>2</sup> HDA, available at <https://www.hda.org/>.

<sup>3</sup> HDA, Economic Impact of Healthcare Distributors in the United States (published 2025), available at [https://www.hda.org/getmedia/50954eae-659f-401e-939c-14d7ee4ee487/HDA\\_Economic\\_Impact\\_Report-082625.pdf](https://www.hda.org/getmedia/50954eae-659f-401e-939c-14d7ee4ee487/HDA_Economic_Impact_Report-082625.pdf).

<sup>4</sup> HDA Foundation, The Role of Distributors in the US Health Care Industry (published 2025), available at <https://hda.org/publications/the-role-of-distributors-in-the-us-healthcare-industry/>.