

# Licensing Healthcare Distributors

## HDA'S POSITION

HDA strongly supports tough, rigorous and consistent standards for state licensing of healthcare distributors as required under federal law. Having strong, consistent distributor licensing is a critical component to ensure that criminals do not infiltrate the supply chain and gain access to prescription medicines. HDA continues to work with supply chain partners and state and federal officials to develop uniform legislation and regulations pertaining to licensure.

Specifically, HDA advocates for the following licensure requirements that will help deter and prevent the infiltration of counterfeit drugs into this industry:

- Stringent application requirements;
- Pre-licensure and regular inspections;
- Surety bonds;
- Criminal background checks;
- Stronger penalties; and,
- Technological solutions to pedigree.

## ISSUE

The introduction of counterfeit or adulterated medicines into the supply chain is a serious issue that could adversely affect the safety of prescription medicines and the health of patients. HDA and its member companies support uniform licensing standards that prevent the entry of unscrupulous or criminal elements, address the roles and responsibilities of distributors in the supply chain and provide accountability for their business practices. We are committed to a business model that maintains the safety and integrity of the prescription drug products that patients depend on for their health and well-being.

## ADDITIONAL INFORMATION

HDA has proactively worked with all 29 states that have strengthened their distributor licensure requirements in recent years. However, each state has focused on different aspects of this critical issue and there is little uniformity in bills or regulations across the states.

HDA is the national association representing primary healthcare distributors, the vital link between the nation's pharmaceutical manufacturers and healthcare providers. Each business day, HDA member companies ensure that over 15 million prescription medicines and healthcare products are delivered safely and efficiently to more than 200,000 pharmacies, hospitals, long-term care facilities, clinics and others nationwide. HDA and its members work daily to provide value and achieve cost savings, an estimated \$42 billion each year to our nation's healthcare system.