

## Distribution

### **Pharmaceutical Distribution Systems (1913)**

*Source: Council on Pharmacy Management*

To support drug distribution business models that meet the requirements of hospitals and health systems with respect to availability and timely delivery of products, minimizing short-term outages and long-term product shortages, managing and responding to product recalls, fostering product-handling and transaction efficiency, preserving the integrity of products as they move through the supply chain, and maintaining affordable service costs; further,

To oppose manufacturers, distributors, and wholesalers restricting or making availability of drug products contingent on how those products are used; further,

To encourage selection of a wholesale distributor that (1) purchases products only from a manufacturer before distribution to the purchasing end user; (2) is licensed in the state where it is conducting business; (3) complies with the requirements of the Drug Supply Chain Security Act; (4) is accredited under the National Association of Boards of Pharmacy Verified-Accredited Wholesale Distributors program; and (5) uses information systems that are interoperable with common types of pharmacy systems.

### **Technician-Checking-Technician Programs (0310)**

*Source: Council on Administrative Affairs*

To advocate technician-checking-technician programs (with appropriate quality control measures) in order to permit redirection of pharmacist resources to patient care activities; further,

To advocate state board of pharmacy approval of these programs.

*This policy was reviewed in 2017 by the Council on Pharmacy Management and by the Board of Directors and was found to still be appropriate.*

### **Dispensing by Nonpharmacists and Nonprescribers (0010)**

*Source: Council on Legal and Public Affairs*

To reaffirm the position that all medication dispensing functions must be performed by, or under the supervision of, a pharmacist; further,

To reaffirm the position that any relationships that are established between a pharmacist and other individuals in order to carry out the dispensing function should preserve the role of the pharmacist in (a) maintaining appropriate patient protection and safety, (b) complying with regulatory and legal requirements, and (c) providing individualized patient care.

*This policy was reviewed in 2014 by the Council on Public Policy and by the Board of Directors and was found to still be appropriate.*

## ASHP Policy Positions 2009–2019 (with Rationales): Drug Distribution and Control: Distribution

**1913**

### **PHARMACEUTICAL DISTRIBUTION SYSTEMS**

*Source: Council on Pharmacy Management*

To support drug distribution business models that meet the requirements of hospitals and health systems with respect to availability and timely delivery of products, minimizing short-term outages and long-term product shortages, managing and responding to product recalls, fostering product-handling and transaction efficiency, preserving the integrity of products as they move through the supply chain, and maintaining affordable service costs; further,

To oppose manufacturers, distributors, and wholesalers restricting or making availability of drug products contingent on how those products are used; further,

To encourage selection of a wholesale distributor that (1) purchases products only from a manufacturer before distribution to the purchasing end user; (2) is licensed in the state where it is conducting business; (3) complies with the requirements of the Drug Supply Chain Security Act; (4) is accredited under the National Association of Boards of Pharmacy Verified-Accredited Wholesale Distributors program; and (5) uses information systems that are interoperable with common types of pharmacy systems.

*This policy supersedes ASHP policy 1707.*

### ***Rationale***

Wholesalers and distributors have traditionally contracted with hospitals and health systems for basic drug product distribution and other services. Many wholesalers have made a large portion of their revenue through speculative buying and other business practices that are no longer desirable because of requirements for pedigrees, the risk of buying counterfeit or adulterated products, demands by manufacturers to limit product transactions, and the need to manage drug recalls. These changes, plus the vast diversification of many wholesaler distributors, have resulted in new business models that will affect how hospitals acquire and manage pharmaceuticals. These changing models for distribution may result in higher costs for hospitals and health systems, as current wholesaler distribution systems have become very efficient.

Additionally, some wholesalers have required that pharmacies ensure certain drugs are not used or sold for use for particular purposes, and there are concerns that this practice could grow. ASHP supports wholesaler and distribution business models that meet the requirements of hospitals and health systems, which includes the ability for pharmacies to obtain drug products for established patient care uses without restriction.

ASHP supports using strict vendor vetting policies to prevent sales from nonreputable or gray market vendors. Vendors should purchase products only from a manufacturer, not a

secondary source; should be licensed in the state in which it operates; comply with the requirements of the Drug Supply Chain Security Act; be accredited under the National Association of Boards of Pharmacy [Verified-Accredited Wholesale Distributors \(VAWD\) program](#); and use information systems that are interoperable with common types of pharmacy systems. VAWD accreditation requires a rigorous criteria compliance review to ensure that a wholesale distribution facility operates legitimately, is licensed in good standing, and employs security and best practices for safe prescription drug distribution from manufacturers to pharmacies. As of 2018, 23 states had recognized VAWD accreditation.