

GIRP, the European Healthcare Distribution Association, is the umbrella organisation for distributors of healthcare products and services in Europe. We represent both national associations and companies serving 33 European countries, including major international and pan-European healthcare distribution companies.

Healthcare distributors are indispensable and crucial components of European healthcare systems. While navigating a highly complex regulatory environment, they supply hundreds of thousands of dispensing points with millions of medicines every single day.

Healthcare distributors typically work out of sight yet bring tremendous value to patients and healthcare systems. Patients trust that their local pharmacy and other healthcare institutions will have the correct medicine in the exact quantity and at the precise time needed. Patients rely on healthcare distributors to continuously provide a rapid, safe and manufacturer independent supply of products, including life-saving medicines, to sites of healthcare provision.

GIRP is committed to advocating its members' perspective to the European institutions and policy-makers. We provide this across a wide range of healthcare related issues especially in the pharmaceutical, medical devices and other healthcare products and services.

In this Manifesto, we call on EU institutions and policy-makers to address the key issues which ensure GIRP members can properly fulfil their responsibilities towards patients.

## 1 Recognise the role and function of healthcare distributors

**GIRP calls on the EU institutions and policy-makers to recognise the critical public service role and function healthcare distributors provide as the Vital Link in Healthcare in that they ensure a safe, rapid, continuous, cost-effective and manufacturer independent supply of medicinal products throughout Europe.**

Although privately owned, healthcare distributors provide a crucial public service thereby making them uniquely distinct from other types of wholesalers and distributors. In several EU Member States, they provide this in accordance with a Public Service Obligation (PSO). They also pre-finance nearly the entire medicines market and secure the cash flow in the healthcare system<sup>1</sup>.

<sup>1</sup> For further information and data, please refer to the study "Distribution profile and efficiency of the European pharmaceutical full-line wholesaling sector"

## 2 Ensure the sustainability of healthcare systems

**GIRP calls on EU institutions and policy-makers to promote measures to support the financial viability of the healthcare distribution sector which is a key factor for a healthcare system's overall sustainability, such as the application of a sustainable remuneration<sup>2</sup> for our sector.**

The indispensable sector which guarantees the just-in-time supply of medicines to pharmacies and other healthcare institutions is no longer sustainable without urgent support for an adequate remuneration system which is necessary to maintain the high standards of safety, quality and services provided to the healthcare systems.

<sup>2</sup> See CSO Australia. <http://www.health.gov.au/internet/main/publishing.nsf/Content/community-service-obligation-funding-pool>

## 3 Ensure the cost of regulation does not cripple the healthcare distribution sector

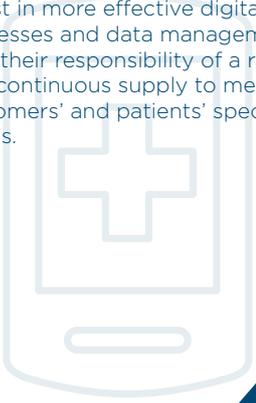
**GIRP calls on EU institutions and policy-makers to ensure that new legislative and regulatory measures during implementation are subjected to ongoing economic impact assessment reviews. While the remuneration for healthcare distributors is regulated at national level, EU institutions and policy-makers should ensure the cost of compliance is made transparent in order to be properly covered by the different national remuneration systems for healthcare distributors.**

The healthcare distribution sector is one of the most highly regulated and has been subject to a raft of new legislative and regulatory measures over the last number of years. GIRP members recognise the need to have a safe, secure and reliable supply chain, but these improvements in quality standards cannot be provided for free. Compliance with innumerable regulations for pharmaceuticals, medical devices, veterinary products, cosmetics, food, electronic devices and all products supplied to pharmacies is one of the most significant cost drivers for the sector. Governmental and payor policies need to urgently address the cost of regulation and reflect how cost estimations of new regulations, gained through the impact assessments, will be covered. In many countries regulated remuneration schemes for the healthcare distribution sector can no longer absorb the costs of investments to be and stay compliant.

### Incentivise healthcare distribution digitalisation

**GIRP calls on the EU institutions and policy-makers to facilitate, promote and incentivise digitalisation to improve healthcare and its distribution. The ability to share data will become an essential factor in this process. Ethically sound governance system should be in place on how to share health data and healthcare stakeholders must be incentivised to innovate for the utmost benefit and safety of the patient.**

Healthcare distributors will not only benefit from increased digitalisation in healthcare but can also contribute to digitise the healthcare ecosystem. Healthcare distributors, with their logistic, storage, transportation and communication services within the supply chain already fulfil high standards of digitalisation and invest in more effective digital processes and data management to fulfil their responsibility of a rapid and continuous supply to meet customers' and patients' specific needs.



# 4

### Improving safety and reliability and removing inequity from the supply chain

**GIRP calls for a general revision of the licensing system for healthcare distributors.**

Healthcare distributors require a license to operate referred to as 'Wholesale Dealers Authorisation' or 'License'. Evidence suggests too many licences exist, leading to overstretched Good Distribution Practice (GDP) inspectorates and an overreliance on healthcare distributors who, whilst respecting competition law, struggle to carry the full range of medicines when smaller operators have less obligations and lower overheads.

# 5

### Improve medicines availability and help reduce shortages

**Where Public Service Obligations (PSOs) are enshrined in national legislation, we call on policy-makers to ensure they are properly enforced. Where PSOs do not yet exist, GIRP encourages their adoption. Where the PSO right to be supplied is present, we know it is frequently not enforced leading to shortages and supply issues.**

Healthcare distributors are in many countries required to operate in accordance with certain legally defined criteria set out in so called Public Service Obligations.



# 6

As the healthcare supply chain experts, GIRP and its members remain open at national and European levels for policy advice and engagement on all topics relating to healthcare, distribution, medicines, affordability and cost management and patient engagement and outcomes.