

CORE AND VALUE-ADDED SERVICES OFFERED BY FULL-SERVICE HEALTHCARE DISTRIBUTORS

Full-service healthcare distributors provide customised solutions to meet a diverse range of supply chain needs. Ensuring the availability and continuity of supply of all healthcare products and services to their customers, which include retail pharmacies and other dispensing partners, stands at the forefront of their activities. As they are in a unique position connecting crucial supply chain stakeholders, full-service healthcare distributors have an in-depth view of the flow of medicines in the supply chain. Thus, they provide a full range of services to all partners in the supply chain, including manufacturers, pharmacies, hospitals, nursing homes, patients (through their pharmacies) as well as to governmental institutions and society.

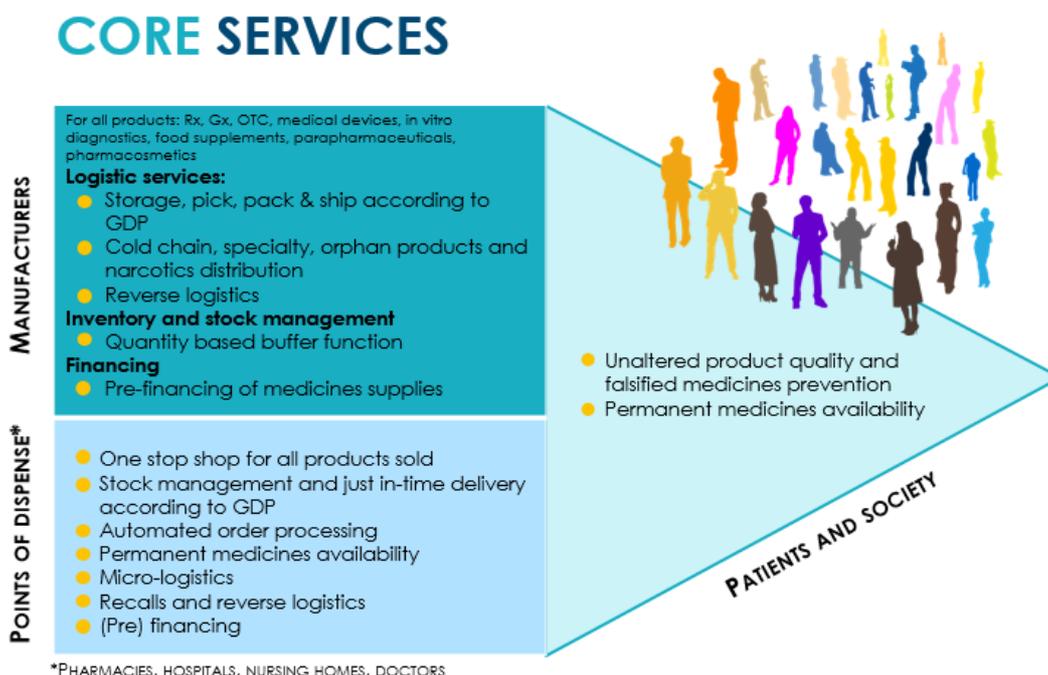
Depending on the specificities of the national market, these services can be classified as “core services” and “value-added services”. Many of these services are of direct or indirect benefit to patients. Core services provided are typically those carried out in their capacity as pharmaceutical full-line wholesalers.

Full-line wholesalers distribute the full assortment of products (in range and depth) to meet the needs of customers and patients. Moreover, they deliver all medicines used in their geographical area of activity within a very short time span. Therefore, pharmaceutical full-line wholesaling guarantees the continuous and countrywide availability of all available medicines to all patients, including those living in remote rural areas.

Through strict purchasing, inventory control and product handling procedures, falsified medicines are kept out of the supply chain: Pharmaceutical full-line wholesalers are committed to a zero-tolerance approach towards falsified medicines. They abide by the highest standards and are at the forefront of implementing the requirements set forth by the Falsified Medicines Directive and its complementing Delegated Regulation.

Recall procedures ensure that products are efficiently withdrawn from the supply chain within a short time span. They also handle information requests and financial services for their customers. As an industry, wholesalers are committed to increasing and to broadening their product range to include medical devices and disposables in addition to RX and OTC medicines and other products sold through pharmacies such as food-supplements and cosmetics.

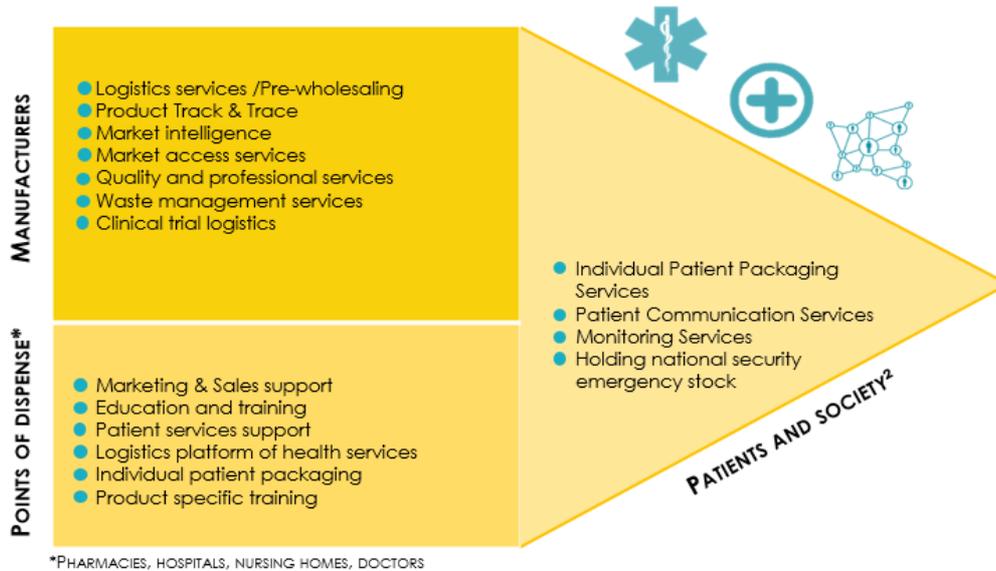
Most commonly, the core services provided by pharmaceutical full-line wholesalers are:



Beyond the typical core services, full-service healthcare distributors also offer a full range of value added services. Attesting to their ability to innovate and to respond to market challenges in a flexible way, it is likely that such services will continue to grow in the future and will take on new directions and dimensions as technology and clients' needs evolve.

Examples of value-added services which full-service healthcare distributors provide:

VALUE-ADDED SERVICES¹



¹List of services non-exhaustive, see Annex 1

²While services related to patients are normally performed by qualified pharmacists, some healthcare distributors support pharmacies in carrying out their services

Adding value to the supply chain

Full-service healthcare distributors increasingly add value to the supply chain. Because pharmaceutical full-line wholesaling lies at their core, full-service healthcare distributors have both the scope and the scale, in terms of product assortment and volume, to develop and deliver products and services for combination therapies involving pharmaceuticals and medical devices. Clients include pharmacists and manufacturers, but also patients (e.g. homecare delivery in accordance with national legal frameworks). Moreover, full-service healthcare distributors have the scale and the knowledge base to support pharmacists in safeguarding patient compliance. In the event of any harmful interactions, they can support pharmacies in quickly shifting to an alternative medicine.

Additional services in the supply chain

Many services that full-service healthcare distributors provide to the industry and pharmacists are invisible to the patient, but complement the distribution of medicines, such as documentation and scientific information, reverse logistics, systems for stock management, marketing support, pharmaceutical databases or IT management and monitoring. Full-service healthcare distributors therefore add value by undertaking services that are non-core to supply chain partners, but that are of tremendous benefit, enabling them to focus on the patient.

Many other services have been added in the recent years that are driven by new societal needs. These services include customised care to meet the unique needs of individual patients. Examples include the provision of self-diagnostics and customised medicine delivery, monitoring and nursing services. When operating in their core role, full-service healthcare distributors and pharmacists also work together in steering volume and assortment in an optimised way. Downstream activities include repackaging medicines into weekly doses to meet patients' needs in terms of controlled and timely intake and cost effectiveness. Logistics innovations can support compliance and therefore better health.

Annex 1: Value added-services overview**VALUE-ADDED SERVICES TO MANUFACTURERS****Logistics Services**

- Inventory management at multi-national, national and regional levels
- Contract packaging and labelling
- Direct deliveries
- Quality control services
- Clinical trial logistics
- Overflow for product launches
- Waste collection and controlled destruction with waste destruction certificate
- Fulfillment services
- Deep freeze storage and transportation directly to hospitals

Product serialisation services

- Quality control for serialisation and printing
- Serial number management
- Random and sequential printing, verification and aggregation
- Decommissioning of products on behalf of clients
- 2D bar code printing and RFID data carrier capabilities
- Documentation of liability transfer

Financial Services

- Financial management: credit checks, risk profiling, risk shouldering, cash cycle invoice management

Market access & regulatory affairs services

- Regulatory support to manufacturers (product registration)
- Pharmacovigilance support
- Risk management programmes
- Pharmaeconomic study development
- Pricing and reimbursement applications
- Emergency product release
- Database management
- Expert knowledge of market dynamics

Promotional services towards prescribers

- Co-ordination and rolling out of promotions, displays and brand plans to prescribers
- Detailing to prescribers including rent-a-rep service
- Marketing resources to manage effective implementation of plans
- Brands profiling with local media
- Key Opinion Leader Management
- Business intelligence

- Fulfillment services
- Mailing letters, kits, brochures to healthcare professionals

Commercial Services towards pharmacies

- Co-ordination and rolling out of promotions at pharmacy level
- Joint pharmacy field force activities
- E-Commerce services
- Advertisement activities
- Educational activities
- Point of sales activities including category management
- Business intelligence

Transparency and visibility services

- Complete visibility of inventory and deliveries
 - by location, status, batch number, expiry date or serial number
 - Track & Tracing of orders live on vehicles
 - GSM & satellite-tracking systems
- Expiry date monitor
- Stock availability monitor
- Access to product data and sales reports in real time
- Information about potential shortages, etc.
- Tailor made market information

VALUE-ADDED SERVICES TO PHARMACIES, HOSPITALS, NURSING HOMES, HOMECARE & HEALTHCARE PROFESSIONALS

Pharmacy Services

- IT management
- Tailor-made compliance programmes
- Patient outcome measures
- Proactive repeat prescriptions
- Text and emails reminders to renew prescription
- eHealth services: Websites, web stores, smart phone applications
- Marketing support
- Sales and purchase analysis
- Education and awareness programmes
- Cost-optimisation of medical treatment
- Product specific training

Hospital Services

- Complete inventory management system and integrated logistics platform of health services:
 - Centralised purchasing
 - Stock management
 - Direct order requests
 - Shipping and receiving orders
 - Central warehousing –different points of consumption
- Express deliveries
- Importation of unlicensed products
- Facilitation of product decommissioning

Nursing Homes Services

- Medication administration report
- Waste collection
- Accredited distance learning training package for staff
- Pharmacist & technician advice visits to ensure best medicines practice
- Equipment on loan service to ensure medication is stored and administered safely

Homecare Services

- Home and community-based, customised medical care and monitoring services
- Chronic disease management programmes including medical advice, nursing, quality management by fully trained, contracted specialists
- Administration of products in the home or in specialist infusion units
- Patient training & education on product self-administration
- Home deliveries of medical supplies and biotech pharmaceuticals
- 24/7 customer service and nursing

Services for healthcare professionals

- Handling inquiries, complaints, pharmacovigilance and adverse events reporting
 - Licensed healthcare communicators: nurses or pharmacists
 - Healthcare communicators: trained healthcare personnel with clinical experience, including drug counselors, social workers, nursing students
 - Multi-lingual capabilities
 - Phone, interactive voice response, email, postal mail, SMS, apps and fax

VALUE-ADDED SERVICES FOR PATIENTS AND SOCIETY THROUGH PHARMACIES

- Emergency product release
- Individual Patient Packaging
 - individualized, tailor-made week-packages for patients
 - A choice of unit or multi-dose monitored dosage systems
- Script management service – for monthly cycle and daily acute medication
 - Delivery of acute and monthly medication at a suitable time for patients
 - Laser-printed medication administration report sheets for all short/long term acute/interim and monthly medication

Monitoring Services

- Medication review
- E-monitoring & parameter tracking:
 - Tele-medical monitoring of lead parameters:
 - Home self-diagnostics
 - Partially home self-evaluation coupled with central medical monitoring
 - Rapid and timely application of medicines
 - Medicine usage monitoring and avoidance of supply gaps
 - Close monitoring of pharmacovigilance and motivation to therapy
- Smart tools for monitoring - the medication box

Patient Communication Services

- Patient adherence
 - Phone, interactive voice response, email, postal mail, SMS, apps and fax
 - Reminder services
 - Instruction videos
 - Documentation of calls transmitted to treating physician
 - Repeat prescription services
 - Integrated healthcare applications
 - Patient web portals
- Call center services
 - Handling enquiries, complaints and adverse events
 - Patient education on benefits of therapy
 - Medical support and counseling
 - Patient satisfaction measurement and questionnaire management
 - Multi-lingual capabilities
 - 24/7 service and full out of hours and holiday cover