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Generics Breakout

Welcome

David Picard

Senior Vice President,
Global Generic Pharmaceuticals

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Discussion Agenda

- **CERTIO Enhancements**
 - Kyle Pudenz, Senior Vice President, Manufacturer and Data Services
- **Stable Supply Initiative**
 - Heather Ryan, Senior Manager, Drug Shortage Solutions
- **SureSupplySM**
 - Charles Hartenstine, Senior Director, Category Management
- **American Health Packaging**
 - Alan Ratliff, Director, Supplier Trade Relations
- **Generic Sourcing**
 - Chris Doerr, Vice President, Global Generic Sourcing
- **Q&A**
 - Heather Odenwelder, Senior Director, Category Management

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CERTIO 2020

AmerisourceBergen Switzerland

Kyle Pudenz
Senior Vice President,
Manufacturer and Data Services


AmerisourceBergen®

CERTIO® 2020

Evolving the CERTIO solution to address key business challenges.



Further Supply Chain Integration



Support Proactive Communication



Easier to Use

Project Overview

Working with key stakeholders to address your business needs

CERTIO 2020 Kickoff

**December
2019**

14

Unique CERTIO Champions

CERTIO Champions Sessions

108+

9

Enhanced CERTIO
Dashboards

Engaged CERTIO Users

90+

November

9

CERTIO 2020 Launch

CERTIO® 2020 and Beyond

Continuing to shape your preferred supply chain solution

- Launching November 9, 2020
 - No change in current functionality
 - Upcoming training opportunities
- Platform Evolution 2021
 - Product Oversight
 - Failure to Supply
 - ...and more!

Contact
support@certio.ch

Special thanks to our CERTIO® Champions!

Manufacturer Partners

Ajanta	Lannett
Alembic	Lupin
Apotex	Mallinckrodt
Bayshore	Rising
Cosette	Sun Pharma
Glenmark	Winthrop
Hikma	Zydus

AmerisourceBergen

Global Generics Leadership
Category Management
Replenishment Operations
BluePoint Labs
Swiss Co Data Services

Stable Supply Initiative

Heather Ryan

Senior Manager, Drug Shortage Solutions

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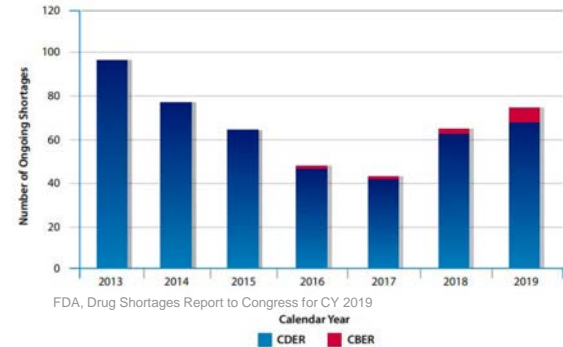


Stable Supply Initiative

Drug Shortages: A changing landscape

- Severe shortages winter 2018-2019
- Natural disaster risks: more and more severe hurricanes, cyclones, and wildfires
- Political pressures
- COVID-19
 - Manufacturing constraints
 - Limited transportation, price increases
 - Demand variability

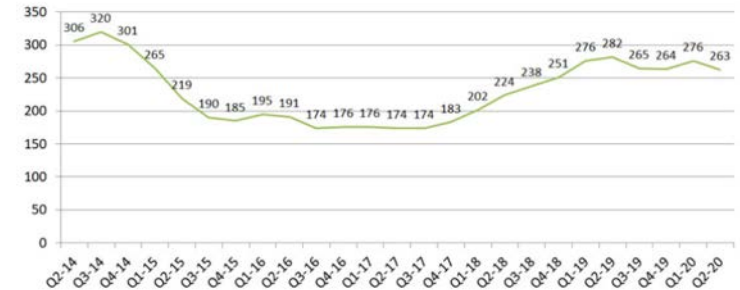
Figure 3. Number of Ongoing Drug Shortages Per Year, 2013 - 2019



FDA, Drug Shortages Report to Congress for CY 2019

National Drug Shortages: Active Shortages by Quarter

June 30, 2020



Note: Each point represents the number of active shortages at the end of each quarter.

University of Utah Drug Information Service

Contact: Erin.Fox@hsc.utah.edu, @foxerintr for more information.

ASHP: <https://www.ashp.org/Drug-Shortages/Shortage-Resources/Drug-Shortages-Statistics>

Stable Supply Initiative

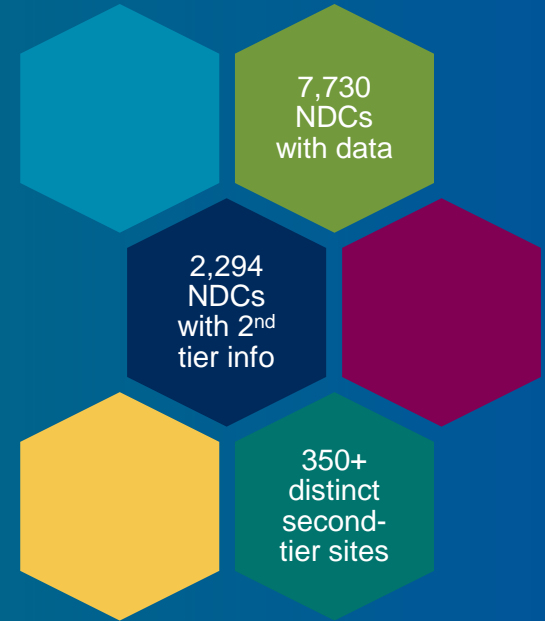
Supply Chain Visibility

- Stability as a shared responsibility
- Renewed media and governmental attention on the pharmaceutical supply chain
- CARES Act requirements
 - Promote domestic manufacturing
 - Adds to FDASIA shortage reporting requirements: additional detail, and API shortages
 - Medical device shortage reporting
 - Manufacturer risk management and redundancy plans

Stable Supply Initiative

Supply Chain Visibility Data Gathering

- Data collection in progress with rolling updates to ensure accuracy
- Survey coordination by Resilinc
- Data already gathered has been used in inventory risk planning and many natural disasters and other events
 - Hurricanes, earthquakes, severe weather, flooding
 - COVID-19 impact reviews
- We want to quantify and reward our partnerships



AmerisourceBergen Drug Shortage Solution

SureSupplySM

Charles Hartenstine

Senior Director, Category Management

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Essential Medication Shortages

Current State

Health system needs

- Safety stock on their critical drugs
- Agility to distribute products across their system
- A fair price that won't increase during shortage

Health system challenges

- Insufficient floor or shelf storage space
- Lack of infrastructure to manage inventory
- Not enough velocity to avoid expiration issues



Solving for Shortage Challenges



A drug shortage solution should

- ✓ Be class of trade and 340B friendly
- ✓ Protect against price increases for the duration of the commitment
- ✓ Provide safety stock of critical drugs, warehoused locally
- ✓ Be accessible through a common ordering platform
- ✓ Rotate inventory to manage short date risk
- ✓ Deliver shortage medications in the same tote, on the same day as other medications

Our SureSupply Drug Shortage Solution

The SureSupply program enables customer investment into safety-net supplies of critical drugs.

- This is a proactive program with the objective of increasing quantity of critical drugs in the supply chain.
- Members can proactively 'stock up' on 6 months supply of critical drugs; ABC will manage all logistics.
- SureSupply customers can determine the ideal level of product investment from a menu of targeted options.



**Semi-annual
enrollment cycle**



**6-month
safety stock**



**3.5 year
commitment**



**Pricing
stability**



**Seamless
integration into
ABC Order**



**Same tote,
same delivery**

SureSupply is Built on Our Commitment to Fair Share



The SureSupply program does not sequester actively short product.

We will never disadvantage other health systems or patients through our program; a patient is a patient.



Products will not be added to the SureSupply program unless supply/demand is being met.

Health systems are only able to invest in safety-stock inventory where the production of such products will not impact manufacturers' ability to meet market share.

SureSupplySM

Here's how the program works

SureSupply Program Enrollment

Stage 1

Stage 1



- AmerisourceBergen will identify a list of critical items for the SureSupply program from the WHO shortage list and input from an internal advisory board.
- Customers will be eligible to enroll in the program at 6-month intervals (January and July) and select from ABC's list of critical items available in the program.
- Contract enrollment will be for 3.5-year terms.

AmerisourceBergen will review and modify the list of shortage items every 6 months to ensure alignment with customer needs

Strategic Sourcing

Stage 2



Stage 2



- Program customers' projected quantity for an additional 6 months of supply will be calculated based on their AMU purchases.
- AmerisourceBergen will engage manufacturer(s) to bid on selected items in the SureSupply program.
- Based on product availability from supplier(s), AmerisourceBergen will finalize the list of items to be included in customer enrollment.

Customer Engagement & Inventory Management

Stage 3



Stage 3



- After customer open enrollment, the AmerisourceBergen sourcing team will communicate the committed inventory amount and agree on a delivery schedule for inventory.
- Once active, SureSupply members will receive their full fair share quantities when an item goes on shortage. Once consumed, members will have access to the 6-month safety stock to meet inventory needs.
- Program and non-program products can be ordered through the ABC Order platform.

SureSupply inventory management

- Committed inventory will be stored in and shipped from AmerisourceBergen distribution centers.
- Only program customers will be able to view or order SureSupply inventory.
- AmerisourceBergen will use the same item numbers for program and non-program customers, giving us better flexibility to cycle through inventory and manage dating.

SureSupply Program Support

Stage 4



Stage 4



- Each major health system will have its own administrator with the ability to adjust allocations on a monthly basis for their SureSupply inventory.
- AmerisourceBergen's SureSupply program team and Account Services Team will provide ongoing support for program customers.
- Strategic Global Sourcing and Replenishment Operations team will collaborate with suppliers to ensure customers have access to their SureSupply inventory.

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American Health Packaging

Making Hospital Unit Dose Medication Accessible

Alan Ratliff

Director, Supplier Trade Relations

We are united in our responsibility to create healthier futures

Being part of the solution to do no harm, improving the use of labels and drug descriptions precisely when and where institutional caregivers need it.



AHP Purpose

Be part of the solution: Create and test ideas with other stakeholders

- Supporting reduction of medication errors and ADEs
- BPOC Systems, Practice of Patient Rights, Quality Care Process Standards
 - Rely on of both professional judgment and electronic controls
 - Knowledge, reach, and partnership collaborating to improve



AHP Purpose

- Human Readable Labels, Descriptions, Clarity and Differentiation
 - Design, color, TALLman lettering in Small-area surfaces
 - Highest grade in-line printing on qualified components



AHP Purpose

- Barcode Scannability and Content
 - Track & Trace, serialization in the commercial channel
 - Non-Commercial path within the institution campus
 - Pharmacy, Floor, Bedside
 - Information systems from physician eMAR, Pharmacy inventory controls, scanning equipment

NDC 60687-523-21

Posaconazole
Delayed-Release Tablets

100 mg

30 Tablets (3 x 10)

Rx Only



Expiry: xx/xx
Lot: xxxxxx

Posaconazole
Delayed-Release
Tablet **100 mg**



American Health Packaging, Columbus, Ohio 43217

Business Overview

Capabilities, Core Strengths, and Marketing

AHP Core Strengths

Put People First and the Rest Will Follow

- Product Development and Category Management
 - Drug Form Dedicated Leaders
 - Collaborative Cross-functional Pipeline Group
- CGMP Packaging and Quality Control Integrated Goals
 - Lean, Six Sigma Programs
- Sales and Marketing Matrix Approach
 - National Accounts, Regional Field Team, and Inside Sales
 - CRM Integration

AHP Supply Trade Relations

Strategic Alignment, Business Development, and
Demand Channel for Institutional Pharmacy

Drug Supply and Business Alignment

New Items, Business Growth and New Supplier Process

- Hospital item-level, demand-driven, Unit Dose Drug Portfolios
- Goals of expanding drug forms and types
- Supplier Alignment
- Quality and Technical Development Information Sharing
- Channel Operations, Supply Rhythm Contingent on Batch Cycle
- Business Terms as an Addendum to ABC Master
 - New term cycle commences 1/1/2021

Generic Sourcing

Chris Doerr

Vice President, Global Generic Sourcing

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Generic Sourcing: The Year That WasOr Is

- Covid Pandemic
- Coupa / Retail insights
- NDC
- SmartSource
- 2021 Contract Roll



Managing the Pandemic

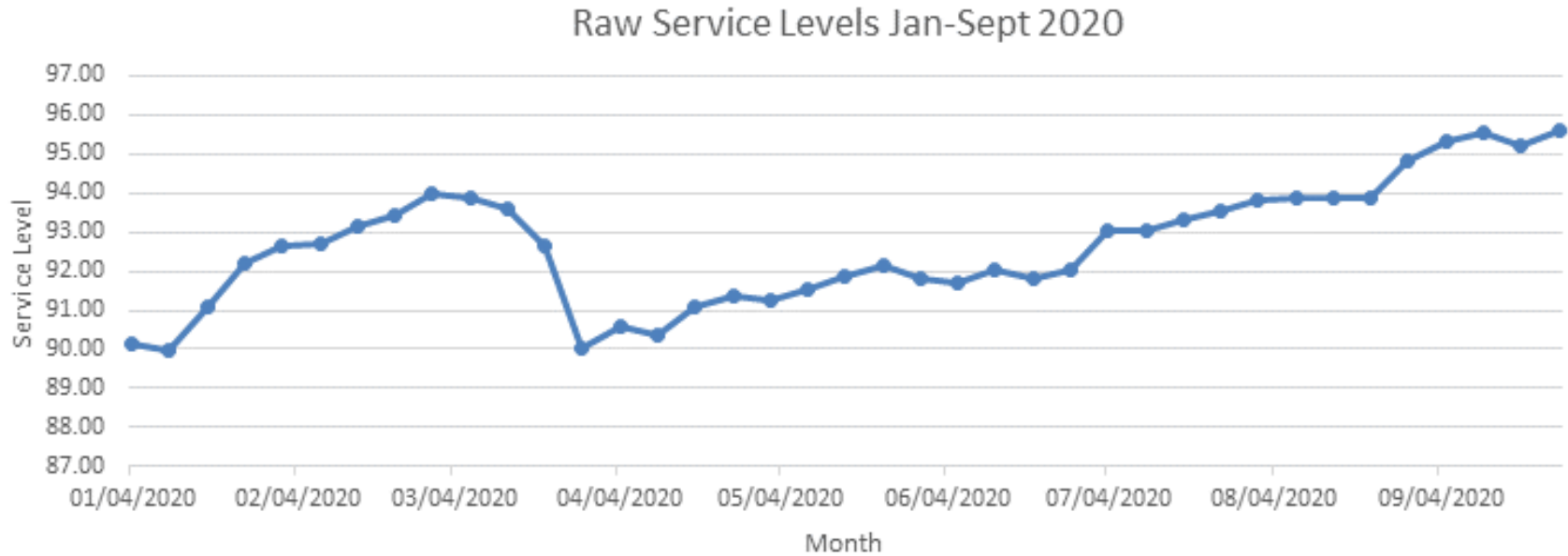
THANK YOU!

- Product donations
- Enhanced transparency
- Force Majeure



Managing Through the Pandemic

PRxO Raw Service Level



Technology and NDC

- Contract Management Automation
 - Coupa
 - Retail Insights
- National Distribution Center



SmartSource

- What is SmartSource?
- How does it work?
- Scope



 **SmartSource**[®]
AmerisourceBergen

2021 – 2023 Contract Roll

- Expiration of existing agreements 12/31/2020
- Structure
- Redlines and execution





Where knowledge,
reach and partnership
shape healthcare delivery.