

**Updated 3.31.2020**: This document is intended to answer questions from AmerisourceBergen customers about what we are doing to respond to the global COVID-19 pandemic. With additional questions, please reach out to your AmerisourceBergen representative.

### Q: What factors is AmerisourceBergen seeing in the marketplace that are influencing the supply chain?

Every partner in the pharmaceutical supply chain is doing their part to manage current patient needs and the long-term needs of the supply chain nationwide and globally.

- Early in the spread of COVID-19 in the U.S., the pharmaceutical supply chain saw surge ordering across all classes of trade, including acute care, retail and physician classes of trade, due to both increased patient volume, PBMs allowing early script refills and longer script durations, and health systems' execution of business continuity plans.
- 2. As manufacturing hubs like China and India continue to experience the effects of a global pandemic, manufacturers are allocating inventory to pharmaceutical wholesalers to sustain the supply chain on a long-term basis.
- 3. Travel bans across the globe are contributing to decreased capacity for air freight carriers. This primarily impacts product coming to the U.S. from overseas, but also impacts deliveries outside the continental U.S.
- 4. Supply chain players continue to implement business continuity plans to protect the essential workers that support the healthcare supply chain, including manufacturing sites, packaging facilities, distribution centers and couriers, among others. The supply chain is supported by hundreds of thousands of human resources facing their own health and wellness concerns.
- 5. Emerging experimental treatments for COVID-19 continue to be evaluated for efficacy to combat the severity of COVID-19. At the same, concerns are escalating about the ability to maintain treatment for those with chronic conditions treated with these therapies on an ongoing basis.

#### **Inventory Questions:**

### Q: How is AmerisourceBergen supporting acute care customers in COVID-19 hot zones, e.g., NYC?

A: As you know, we use fair share allocations to ensure all customers can access the treatments their patients need. In recent weeks, we've proactively increased allocation percentages for customers serviced in "hot zones" as indicated by Johns Hopkins, CDC and WHO data. This increased percentage applies to all products on allocation to allow those customers in hot zones to care for patients in critical condition. Likewise, we're routing additional product to our distribution centers (DCs) servicing customers in hot zones.



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Our sourcing teams are working with manufacturers on a daily basis to add inventory for COVID-19 supportive care and other essential products.

# Q: Why is there sometimes a difference between what manufacturers communicate about their inventory levels versus what product is available from AmerisourceBergen?

A: Overall, we are working with manufacturers to increase inventory as quickly as possible to meet the increased needs of patients in response to COVID-19. As you know, we use a fair share allocation methodology to ensure we have critical products on hand and prevent hoarding. By far the greatest issue our pharmaceutical distribution industry is facing is skyrocketing demand across the country--and across all sites of care simultaneously.

Inventory levels for both the manufacturer and AmerisourceBergen are rapidly changing and even trade reps for manufacturers may not be communicating the most up-to-date information—inventory changes on an hourly basis.

Additionally, even if manufacturers are putting more product in the supply chain, the increased demand across the board (both in acute and retail settings) means we are depleting that inventory quickly—sometimes almost immediately.

As demand continues to exceed supply for some products, we are seeing many manufacturers hold AmerisourceBergen to historical purchasing amounts—meaning they will ship AmerisourceBergen product only that meets the demand from purchases in January and February. Each supplier is approaching their allocation to AmerisourceBergen differently.

### Q: Why is it hard to get meter dose inhalers (MDIs), insulin and diabetic supplies right now?

Demand for insulin and meter dose inhalers has increased for a number of reasons and we are seeing surge ordering from customers across our network.

**For MDIs:** Many acute care settings are switching from nebulizers to MDI to accommodate increased COVID-19 patients. In addition, patients who typically use MDIs for asthma or other conditions are getting additional fills to ensure they can maintain their own health during lockdowns and shelter in place mandates. Overall, it is very challenging for suppliers to keep up with this increased demand.

**Insulin and diabetic supplies:** We are hearing from acute care customers that demand for insulin is spiking not only to accommodate the treatment of COVID-19 patients, but also because diabetic patients are stockpiling insulin to treat their condition on an ongoing basis through lockdowns and social distancing guidelines.

#### Q: Does AmerisourceBergen stock Hydroxychloroguine?



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A: Yes. We are working with multiple manufacturers for the distribution of hydroxychloroquine as a treatment for COVID-19. As you can imagine, hydroxychloroquine inventory on hand does not come close to meeting the demand of customers across the country. We are working with health officials to ensure distribution meets government guidance provided to each specific manufacturer for their product.

For any product donated to AmerisourceBergen, AmerisourceBergen will donate our distribution services and forgo all fees.

### Q: Do you expect that the API restrictions and lockdown in India will cause supply disruptions?

A: While pharmaceutical manufacturers are exempt from the standards of the lockdown in India, we continue to hear from the manufacturers that they face challenges in staffing, mobility and absenteeism in their India-based manufacturing facilities. Manufacturers continue to mitigate risk and enact business continuity plans to support production, but logistical challenges continue.

Many U.S.-based manufacturers with plants in India still have inventory in the supply chain, so we don't expect immediate disruption. If there were supply chain disruptions due to these measures, they would not be immediate. Most generic manufacturers have several months of finished goods available in the U.S., and brand manufacturers have little dependency on India for production.

As demand continues to exceed supply, we are seeing many brand, generic and OTC manufacturers hold AmerisourceBergen to historical purchasing amounts—meaning they will ship us product only that meets the demand from purchases in January and February.

#### Q: Does AmerisourceBergen have inventory of n95 masks?

A: AmerisourceBergen is starting to work with suppliers to source n95 masks as production begins to ramp up overseas and domestically. We have very limited inventory but will continue to stock as possible and on an ongoing basis.

#### Q: How is AmerisourceBergen managing allocations?

A: We will continue to rely on our "fair share" allocation program, which creates safeguards on products in high demand to ensure stable availability. In recent weeks, we've also proactively increased allocation percentages for customers serviced in "hot zones" of COVID-19 infections as indicated by Johns Hopkins, CDC and WHO data.

Allocations have been put in place to manage increased demand on products such as:

• Inhalers and nebulizers (respiratory meds)



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- Sedation and pain relief, products used during intubation
- Antivirals
- Antibiotics
- Antipyretics
- IV fluids (ringers, NS, D5W)
- Essential medicine lists
- Cough/cold
- Insulin and diabetic supplies

Regardless of an item's allocations status, customers are still subject to order monitoring programs as required by law for controlled substances.

- Q: Are items on allocation available for secondary AmerisourceBergen customers (customers for whom AmerisourceBergen is not their primary wholesaler)?
- A: No, items on allocation are reserved for primary AmerisourceBergen customers. By giving only primary customers access to allocated inventory, we are doing our best to fulfill our commitments to the customers who rely primarily on AmerisourceBergen for their pharmaceutical needs.

#### **Regulatory Questions:**

- Q: Is AmerisourceBergen's controlled substance order monitoring program going to account for increased controlled substances demand based on increased patient volumes?
- A: AmerisourceBergen's order monitoring program was designed with the flexibility to address unforeseen healthcare market occurrences, and we are confident in our ability to assess each order to respond to COVID-19 appropriately. We are also working closely with DEA, healthcare associations, and manufacturers to ensure suppliers and regulators understand our customers' current needs.

We continue to recommend that customers not attempt to "stock up" on controlled substances, as such activity may actually increase the risk that the orders will be rejected and not be filled--and lead to unnecessary shortages. In particular, we are seeing an increased demand for injectable narcotics in the acute care setting.

The DEA has recently released guidance that DEA Form 222s for controlled substance orders can be emailed or faxed however we strongly encourage all customers to use the CSOS platform for electronic orders.

Q: The DEA communicated that they'll temporarily accept DEA Form 222s via email and fax during the pandemic. Will AmerisourceBergen honor this process?



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A: Wherever possible, customers should continue to use CSOS ordering for everyday CII orders. The new DEA guidance is intended to accommodate an increase in emergency orders to meet emergent patient needs.

As outlined in the guidance from the DEA, "upon the expiration of the state of emergency, purchasers will be required to send suppliers hard copies of executed DEA Form 222 that were transmitted to the supplier via email or fax during the public health emergency."

To ensure continuous compliance, we ask that customers continue to use CSOS or hard-copy Form 222s whenever possible, but we will accommodate faxed or emailed forms for true patient emergencies.

### **Delivery Questions:**

Q: Are we requiring customers to sign for deliveries?

AmerisourceBergen will not require customers to sign the proof of delivery document that is typically signed upon receipt of a delivery to limit personal interactions. Instead, drivers must print the customer's first and last name and date of delivery on the proof of delivery document. We will notify you when this policy has been lifted.

Customers should continue to sign Material Return Authorization forms (MRAs) and provide to their driver.

- Q: Should customers sign electronic devices to confirm receipt of deliveries?
- **A:** No. We recommend that, for their protection and that of the drivers, customers do not sign electronic devices to confirm deliveries.
- Q: Can my pharmacy establish a "drop spot" in one location for the driver to drop off totes?
- **A:** Yes, couriers can accommodate a central drop spot at your pharmacy to ensure the safety of your staff, the facility and that of the driver. If you'd like to change your delivery location, please contact Customer CARE who will work with our Transportation team.
- Q: Why is AmerisourceBergen experiencing some delivery delays?
- A: Due to high ordering volumes across our entire network and additional screening measures at delivery locations, AmerisourceBergen is experiencing delays with pick, pack and ship processes. Additionally, our courier partners are also experiencing delays in their re-packing processes, and increased security measures at some customer sites are also delaying end-mile drivers. Our customers can help us manage this by doing a few things:
  - 1. Submit orders as early as possible: Submitting your orders early in the day will allow us to start preparing orders earlier and help minimize staffing disruptions.



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Order cutoff times across the network have been changed to 7pm (local time at servicing DC) between Sunday – Thursday (exceptions apply).

- Submit orders in one purchase order: Submitting orders in one purchase order can lessen the impact on distribution center operations, ensuring more timely deliveries.
- Please return totes with your driver: If you have any AmerisourceBergen totes, lids or cold chain coolers in your facility, please return them to us. We need an adequate number of totes to ensure the most efficient process when filling your orders.
- 4. Consider a "drop spot" for deliveries instead of having drivers enter your facility
- **5. Contact Customer CARE** if you will be closed for any reason or if your operating hours have changed.

#### **Sanitation & Cleanliness Questions:**

- Q: How has AmerisourceBergen enhanced cleaning at the distribution centers?
- A: Our distribution centers are taking extra measures for disinfectant procedures given the volume of human health products that are processed through each facility. Distribution centers are using BruTab 6s or Shockwave (powerful EPA-approved disinfectants) through electrostatic sprayers and standard spray canisters for 2-3 additional cleanings per day.
- Q: How does AmerisourceBergen clean totes?
- A: Distribution centers across AmerisourceBergen's network use third-party companies and associates to clean totes on an ongoing basis. We are also investigating and piloting additional tote-disinfectant measures, where totes pass through a UV light to disinfect surfaces before being inducted into the distribution centers.
  - Because human contact is essential to our operations, we encourage customers to use enhanced cleaning processes that they see fit to protect their staff and their facility.
- Q: How is AmerisourceBergen ensuring the safety of courier drivers—both to protect AmerisourceBergen's distribution centers as well as customers receiving orders?
- A: As our trusted partners, we are implementing several new policies with our third-party couriers to ensure our mutual safety. We've clearly communicated our expectations for courier partners and drivers, and have vendor/visitor guidance for our distribution centers to continue to screen visitors. This includes:



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- Drivers must report immediately to their management team and their local AmerisourceBergen contact if they or a family member has a confirmed case of COVID-19, has been exposed to a confirmed case of COVID-19 or is being tested for COVID-19.
- Drivers that regularly have access to an AmerisourceBergen facility will be granted access but will be required to sanitize their hands upon entry.
- All driver vehicles should be cleaned and sanitized on a regular basis to limit the spread of COVID-19.
- Drivers should follow any enhanced protocol outlined by delivery locations.
- Regarding masks and gloves for drivers: Couriers are not requiring their drivers
  to wear a mask and gloves to complete deliveries. Health agencies like the CDC
  and WHO agree that non-healthcare professionals do not need to wear a surgical
  mask. Additionally, as you know, face masks are experiencing an extreme
  market shortage. If a customer is requiring drivers to wear a mask, they will have
  to provide the mask for the driver's usage.

#### **Business Continuity Questions:**

- Q: How will drivers and distribution center workers get to work if a county/city/state is on curfew or lockdown?
- A: We are providing distribution center associates with a verified letter that designates them as an Authorized Responder. If stopped by authorities, they can provide this letter based on AmerisourceBergen's role in healthcare delivery. We also work with national healthcare agencies and the government to ensure access as a critical part of the healthcare infrastructure. This is something we have done in the past during natural disasters and other emergency situations.
- Q: How is AmerisourceBergen preparing for staffing challenges in distribution centers (DC) due to childcare, illness, quarantine, etc.?
- A: We are proactively implementing several measures in our distribution centers to ensure staffing continuity:
  - Increasing staffing with temporary workers and additional onsite support.
  - Providing our associates with support from our HR department to help manage through childcare disruptions and other needs.
  - Implementing a cross-distribution center backup program, where a DC can "borrow" staff from another distribution center in the region.
- Q: Is AmerisourceBergen experiencing a shortage of drivers?
- A: No, we are not experiencing a shortage of courier drivers, and are in close contact with our partners to ensure continuity.



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#### In the Event of a Confirmed COVID-19 Case

- Q: What will happen if there is a confirmed case of COVID-19 at an AmerisourceBergen distribution center?
- A: We have implemented a policy across our distribution network for how to handle any confirmed COVID-19 cases within our associate population, including associate guidance, deep sanitation guidance and mitigation steps. At this time, we don't expect that a distribution center would be closed for an extended period of time, even in the event of a confirmed case of COVID-19.

In the event of any unanticipated closure, AmerisourceBergen would enact our business continuity plans and backup DC support. AmerisourceBergen has 27 wholesale distribution centers across the United States, 25 of which can support one another in case of emergency. We can transfer orders from one servicing DC to another, and have done this in the past due to weather or other business continuity issues.

- Q: What should I do if someone at my pharmacy or my facility has a confirmed case of COVID-19?
- A: We understand some of our customers have staff that have been infected with COVID-19. If you have a confirmed case at your pharmacy location, AmerisourceBergen will continue to deliver to your location under the following conditions:
  - As long as your facility is open for business (not closed or quarantined by the Department of Health) and that the delivery does not violate guidance from the Department of Health;
  - As long as your facility has implemented an enhanced cleaning protocol and taken measures to ensure safety of other team members;
  - And as long as you are following the above guidelines for limited personal contact to ensure the safety of your delivery driver.
- Q: Will you inform me if an AmerisourceBergen associate or courier driver tests positive for COVID-19 after interacting with staff at my facility?
- A: Per CDC guidelines, we will inform a customer if an AmerisourceBergen associate our third-party courier partner has had close and personal contact with any other person—including staff at your facility.