

McKesson's Influence on COVID Vaccine Supply Chain During the Pandemic

(Source: An article by Susan Morse for Healthcare Finance News)

A year after the COVID-19 pandemic sent the country into lockdown, light at the end of the tunnel is evident with more than 15% of the U.S. population now fully vaccinated. McKesson is playing a key role in the COVID-19 vaccine rollout - since August of 2020, the pharmaceutical distribution and IT company was selected by the Centers for Disease Control and Prevention to be the centralized distributor for vaccines and ancillary supply kits in the United States.

The U.S. federal government is using a centralized model to direct McKesson on all aspects of distribution, including where and when to ship vaccines and ancillary supply kits to point-of-care sites across the country. In December 2020, the company began distributing Moderna COVID-19 vaccines and ancillary supply kits needed to administer them. As of March 1st, distribution of the the one-shot COVID-19 vaccine received from Janssen Pharmaceuticals of Johnson & Johnson was also shipped by McKesson.

Craig Dolan, McKesson U.S. Pharmaceutical's vice president of Business Development and Innovation, serves on McKesson's Critical Care Drug Task Force, which uses data and analytics to monitor medicines across the supply chain. The task force played an important role in getting critical care drugs to patients on ventilators in 2020. But as treatment of COVID-19 has changed through at least three surges, the supply chain has needed to keep pace with these changes.

"The majority of the patients got so ill so fast that many were put on ventilators quickly," said Dolan, who has a background in hospital administration, managing pharmacy departments and infusion centers. "Now you do whatever you can to keep them off the ventilators. That's changed the demand and mix of medications."

The pandemic's effect on the supply chain has transformed the way hospitals currently approach supplies and how they will in the future, according to Dolan. Most hospitals planned to have months of supply of critical drugs in the early days of the pandemic.

"While we saw pandemic-induced buying in 2020, hospitals have learned lessons in how they treat COVID-19 and how they manage supplies moving forward," Dolan said. "Hospitals will apply new ways of forecasting in 2021 and beyond to ultimately strengthen the U.S. supply chain." Over the last year, Dolan said he has spoken to customers to build stronger relationships. He and McKesson's field accounts teams are now working with health systems to look at their medical spend, identify revenue recovery opportunities, and advise hospitals on how to navigate the challenging distribution landscape.

Dolan anticipates hospitals will leverage scale with suppliers and apply new ways of forecasting supply in 2021 – all in pursuit of a more transparent and equitable supply chain.

(continued on page 2)

In Brief...

- ♦ University of Pennsylvania's Perelman School of Medicine has identified (9) potential new COVID-19 treatments, including (3) drugs that are already approved by the U.S. Food and Drug Administration for other diseases. The findings were published in *Cell Reports* and included US. FDA approved drugs *cyclosporine*, the cancer drug *dacomitinib*, and the antibiotic *salinomycin*.

- ♦ As *Red Nose Day* enters its 7th year, **Walgreens** is once again putting a digital spin on its iconic Red Nose. Through May 31st, customers who make a donation at [Walgreens.com/RedNoseDay](https://www.walgreens.com/RedNoseDay) will unlock a special digital Red Nose filter for sharing on social media. Donations also can be made in store or via the Walgreens App. Since its inception, *Red Nose Day* has raised US\$240 million in the fight against child poverty. Separately Walgreens has increased its vaccine administrations through its stores across 49 states, Washington, D.C. and Puerto Rico. The company also announced that it has nearly completed its long-term care facility vaccination efforts.

- ♦ India has banned the export of *remdesivir* as infections soared to a new daily high and hospitals grappled with increasing demand for the coronavirus treatment drug. The vast nation has experienced a sharp rise in cases in recent weeks, adding 152,000 new cases on Sunday to take the toll to 13.3 million infections.

- ♦ Phase 3 trial of **Pfizer/BioNTech's** COVID-19 vaccine was shown to have an efficacy rate of 100% and was well tolerated in youths age 12 to 15. Pfizer plans to submit the data to the U.S. Food and Drug Administration as soon as possible for expanded emergency use authorization (EUA) for the two-dose vaccine. The data has yet to be peer reviewed. Researchers observed 18 COVID-19 cases among the 1,129 participants who were given a placebo, and none among the 1,131 volunteers who were given the vaccine. Side effects were similar as seen in those among the 16 to 25 year old group.

(continued on page 2)

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McKesson (cont.)...

“We’re advising customers to continue to work closely with suppliers for each issue they may face,” he said. “Each group in the supply chain should be working together to solve problems. And while we are all eager to return to normal and less volatility, the eagerness to partner and deepen relationships will only benefit the supply chain moving forward.”

*McKesson Corporation is a proud **Platinum Benefactor** for the IFPW Foundation’s 2021 Virtual Benefit Fundraiser on April 29th & 30th. For more information on registration for the event, please visit <https://event.me/ZbXnQ0>. Benefactor opportunities also available; to become a Benefactor, please contact Christina Tucker at c.tucker@ifpwfoundation.org.*

Four Key Tools to Fight Fraud, Counterfeits and Cyberattacks

(Source: An article by Deborah Kaplan for Supply Chain Dive)

With multiple vaccines receiving emergency use authorization (EUA) from governments around the world, global distribution systems with multiple global administration sites are challenged with fighting fraud, counterfeits and substandard drugs and supplies. The complexity of operations is a difficult game in trying to prevent hacks and counterfeiting. Last summer, the U.S. Justice Department accused hackers in China and Russia of trying to steal coronavirus vaccine research.

The U.S. has efficient vaccine supply chains, but the COVID-19 one is different. Vaccine manufacturers, distributors, federal, state and county governments, and vaccine administrators have not necessarily worked together before. Technologies like artificial intelligence, automation, collaboration tools and blockchain can help by building trust and increasing security while reducing fraud possibilities.

Vaccine research and the early production phase of COVID-19 vaccines has been the most targeted by hackers, including independent and government cyberattacks. These attacks are focused on the theft of intellectual property, as well as ransomware attacks and attempts at damaging vaccine supplies by changing storage temperatures. That means creating secure-by-design systems, using cloud strategies, protecting system administration tools, and ramping up identity access management.

There are four critical key tools in the fight against cybersecurity and counterfeits:

1. *Zero-trust policies.* This approach assumes no entity or person should be trusted without the appropriate permissions and verified identification. As an example, a person working for a pharmaceutical company or who possesses access to lab facilities does not need total access to the entire system. This includes who – or what machines – is allowed access to specific data. Previously machines may have been allowed to talk to each other. With a more restrictive policy, a machine or human attempting to gain access when not allowed would generate an alert and prevent the hack from spreading throughout the system.

2. *Real-time visibility and tracking.* Real-time data trackers are like having mobile devices attached to each shipment. Meanwhile sensors give continual temperature readings, which is critical in vaccine supplies. Other sensors may track vibrations, shocks, and ambient light. Information can be shared real-time with an email or text alert, even going as far as to notify law enforcement agencies. These technologies have been in development for some time but have been accelerated because of

COVID-19.

3. *No single point of access.* Companies are using a distributed ledger approach to collect and store information, including passwords. If an attempt to use false data occurs, thousands of other nodes will reject the false information. These distributed ledgers are powerful data structures for dealing with multiple party interactions.

4. *Digital certification and serialization.* Faking data is common in cyberattacks and counterfeiting. The attacker wants to make the victim of the attack believe that everything is fine by providing fake data or substituting vaccine information. Data integrity is key for every phase of the vaccine system. Pharma companies insert software codes when implementing security systems. These codes are inserted at the point of production so that data can be signed with a digital certificate and mapped to a fixed value. Also included are batch and lot identifications when serialization occurs in the product. The information is coded into a smart label or sensor affixed to the vial. The tampering with the product occurs, that signals the product may be counterfeit.

Implementing new security measures is rolled out in phases through the supply chains. This can begin on the production floor, then the lab facilities and followed by the distribution chain. The process involves creation or a thorough understanding of existing security policies.

In Brief (cont.)...

- ◆ Chinese pharma giant **Sinopharm** released its 2020 results, announcing that revenue increased by 7.3% and net income increased 14.9% year-over-year. Sinopharm Group is valued by the market at 6.3 times consensus forward FY2021 P/E and has a consensus forward FY2021 dividend yield of 4.6%.
- ◆ The U.S. **Centers for Disease Control** has paused using the **Janssen** COVID vaccine out of an abundance of caution after several rare blood clot instances in six individuals. To date, the vaccine has been administered approximately 6.8 million individuals. Janssen is a business unit of **Johnson & Johnson**.
- ◆ The **Viatrix Group** launched a new head office in Tokyo, Japan. Viatrix was created last November by a global merger of **Mylan** with **Pfizer’s Upjohn** business unit. In Japan, the Viatrix group is made up of four companies: **Viatrix Pharmaceuticals Japan, Pfizer UPJ, Mylan Seiyaku** and **Mylan EPD**.
- ◆ Global retailer **Walmart** has increased its vaccination efforts to 48 states, Washington, D.C. and Puerto Rico. **Cheryl Pegus**, Walmart executive vice president, Health & Wellness said that Walmart has worked to administer COVID-19 vaccines into the arms of residents in rural and vulnerable areas across the country, noting that more than 80% of shots administered through the company’s pharmacies and 60+ dedicated community events were in what HRSA designates as the most medically underserved areas of the country.
- ◆ Global pharmaceutical distribution company **Zuellig Pharma**, will withdraw from its local pharmacy retail business and sharply trim the workforce in its local offshoot’s business unit in South Korea. According to the industry sources, the company recently notified its employees in the direct marketing division of its plan to dissolve the unit by May 31 and supply medicines to pharmacies through wholesale contributors

(Sources: Drug Store News, FierceBioTech, FiercePharma, Korea Biomedical Review, Scrip Intelligence, Seeking Alpha and World Pharma News)