



Healthcare Distribution Alliance

**HEALTH DELIVERED**

6/4/24

Chairwoman Carter  
House Committee on Insurance and Financial Services  
Room 521 House Office Building  
Lansing, MI

Dear Chairwoman Carter and members of the committee,

On behalf of the Healthcare Distribution Alliance (HDA), representing 35 primary healthcare wholesale distributors, I am writing to voice our concerns with HB 5350 as currently drafted.

HDA's distributor members are the vital link between the nation's pharmaceutical manufacturers and more than 200,000 pharmacies, hospitals, long-term care facilities, clinics, and other healthcare providers nationwide. Working 24 hours a day, 365 days a year, HDA members ship approximately 15 million products across the nation daily. Simply put, wholesale distributors are logistics experts that ensure pharmacies, clinics, and hospitals keep their shelves stocked with medications their patients need.

In their role as a wholesale distributor, HDA members do not manufacture, market, prescribe or dispense medicines, nor do they set the list price of prescription drugs, set third party payor reimbursement or coverage for prescription drugs, influence prescribing patterns, or determine patient-benefit designs. Similarly, wholesalers are not directly engaged in the 340B program beyond fulfilling orders.

Further, wholesale distributors DO NOT play a role in setting 340B pricing, nor are they privy to it, until manufacturers provide the pricing to the wholesaler.

HB 5350 uses the term "manufacturer" which could be interpreted to encompass wholesalers, under the current definition in MCL 333.17706. Given this definition, our industry respectfully asks the committee consider an amendment which we have circulated to both the Chair and the Sponsor. Our amendment would explicitly exempt wholesalers and their conduct from the definition of "manufacturer" in HB 5350.

Thank you for your time and consideration of our request.

If you have any additional questions, please contact me at [tbutchello@hda.org](mailto:tbutchello@hda.org) or by phone at 716-307-4022.

Sincerely,

Travis Butchello  
Director, State Government Affairs