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## **WORKING TOGETHER THROUGH COVID-19**

Consolidated Response for  
AmerisourceBergen Specialty Distribution  
(Besse Medical /Oncology Supply) Customers



**Updated 5.08.2020:** *This document is intended to cover the many aspects of what we are doing to respond to the global COVID-19 pandemic. If you have additional questions, please reach out to your account manager.*



As we monitor the ongoing spread of the novel coronavirus, COVID-19, here are some actions we can take together to ensure a safe and secure supply chain.

1. **Submit Orders Online:** Submitting orders online can lessen the impact on call center operations, ensuring more timely deliveries.
2. **Your Practice COVID-19 Business Continuity Plan:** In the event your practice has to close due to COVID-19 infection, please notify us. We will need to be sure to stop any drug order that may be en route. It is also important to proactively communicate any **changes in your office hours** so that we note them in our system to properly manage your shipments and ensure someone is at your office to receive product.
3. **Returns:** During this crisis we've taken additional measures with returns coming back into our distribution center, therefore our returns process may experience delays beyond our normal turn-around times. This is to ensure the safety of the product, your office staff and our associates. Please continue to submit returns through your normal process, as needed.
4. **Mitigating Financial Risk:** It is clear that practices will need a partner when it comes to the financial impact of COVID-19. We recognize the financial risk and fears associated with the uncertainty in the United States, and we are committing significant resources to protect the stability of the supply chain and product availability by: responsibly increasing days on hand (DOH) to meet increased demand; working with manufacturers on realistic solutions for extending payment terms on specialty products for the physician class of trade; our AmerisourceBergen Government Affairs team is championing the needs of physician practices in each COVID-19 related relief bill being considered.

## Updated - Supply Chain Impact

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.

1. The world was simply unprepared for the patient influx associated with a global pandemic. The fact of the matter is that in some cases, pharmaceutical demand is exceeding supply. While product demand is starting to normalize, we are keeping a watchful eye on the supply chain in case of unexpected spikes, especially as some states and localities prepare to relax social distancing and stay-at-home guidelines. 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, payers 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.

## Updated - Vigilance Regarding Grey Market Activity

(e.g. unethical product resale, fake test kits, fake testing sites, etc.) The safety and integrity of our supply chain is more important than ever. AmerisourceBergen has a team dedicated to investigations, including grey and black market activity. We encourage you to send evidence of grey market activity to your AmerisourceBergen representative, who can escalate to our internal Global Watch Center. Primarily, we work with the Office of the Inspector General in the U.S. Department of Health and Human (HHS-OIG) Services to report, address, and mitigate grey market activity. Please note that you may not hear an update on grey market activity after it has been submitted, as it often escalates to a formal investigation.

## Suspicious Orders and Due Diligence

The government's current recommendations around social distancing have implications for distributors. Most distributors have imposed travel restrictions on their associates which would preclude these visits until such time the spread of the virus is under control, which could be several months. Distributors still remain responsible for maintaining effective controls against diversion by "knowing their customer" and conducting the appropriate due diligence. During the COVID-19 public health emergency declared by the Secretary, due diligence and site inspections via teleconferencing may be acceptable alternatives when the ability to conduct on-site inspections is determined to be impractical by the registrant. Distributors are also still able to obtain and review their customers' utilization reports and other documents as part of their due diligence. This paragraph is not meant to be all encompassing in terms of what distributors should be doing as part of their due diligence, rather, it is provided as examples of some of the evaluations distributors should conduct.

Distributors are seeing changes in controlled substances ordering behavior by their customers. Some of this behavior is driven by customer fears of disruption to the supply chain. In other instances, prescribing behavior intended to limit social exposure at hospitals, clinics, and pharmacies (such as prescribing in larger quantities to supply the patient for a great period of time), may also lead to changes in pharmacy ordering behavior. DEA is aware from its engagement with its federal partners and other controlled substances stakeholders that various DEA registrants may be changing their ordering patterns in order to fulfill their patients needs due to changes in ordering activity involving controlled substances tied to COVID-19. Distributors (and other registrants that distribute controlled substances) continue to have an obligation to maintain a system to detect suspicious orders of controlled substances and to inform their local DEA field office when suspicious orders are discovered. At the same time, recent significant increases in demand for certain controlled substances by pharmacies and hospitals may be attributable to legitimate needs arising out of the COVID-19 pandemic. When in doubt about the legitimacy of an order, distributors should carefully assess the circumstances surrounding the order, including the nature of the practice engaged in by the registrant placing the order, as well as the types, quantities and dosage forms of the controlled substances being ordered. Distributors should inquire with their customers to obtain an explanation for the deviation from their normal ordering patterns and document the changes in ordering behavior and the possible reasons for it in its due diligence file for each customer.

## Inventory, Allocation and Access

We will continue to use our **fair share allocation program**, which creates safeguards on products in high demand to ensure stable and fair availability. Regardless of an item's allocations status, customers are still subject to our order monitoring program for controlled substances. Generally, some of the most constrained products are ventilator and intubation drugs, sedatives, hydroxychloroquine and antivirals, azithromycin, injectable narcotics, insulin and meter-dose inhalers. These products are being used to treat COVID-19 while patients who had been using these medications are also maintaining or preparing for quarantine by requesting longer-term prescription refills.

## Updated - API Restrictions and Lockdown in India

India's stay-at-home guidance was extended through May 3 and could potentially be extended through mid- to late May, but restrictions have started to ease in regions with zero or few known cases. 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, air cargo 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 with production management, air freight, and clearance through customs.

Many U.S.-based manufacturers with plants in India still have inventory in the supply chain, so we don't expect immediate disruption. Most generic manufacturers have several months of finished goods available in the U.S., and brand manufacturers have little dependency on India for production. However, we are still 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, as this is what they had forecasted for their production.

### Generics

We continue to monitor the API export restrictions and the lockdown in India. We are seeing an increased demand for generic purchases and have been working closely with manufacturer partners to prepare for that demand. At this time, we do not see a significant indication of generic shortages on specialty drugs, and in fact have lifted inventory levels to prepare for increased demand. We will continue to monitor inventory and purchasing behavior to protect the stability of the supply chain.

## Manufacturer COVID-19 Related Dropships and Allocations Due to High Demand

### GENENTECH (Actemra) Allocation:

- Genentech has notified us that as part of its proactive response to the COVID-19 pandemic, effective March 17, 2020, it began allocating the following Actemra NDCs: 50242-0135-01, 50242-0136-01, 50242-0137-01. Allocations are currently set based at 100 percent of historical weekly usage for physician class of trade.

### N95 & PPE

In general, while AmerisourceBergen does stock some PPE, we are largely pharmaceutical focused. Our distribution centers are not designed to support large, bulky PPE items, so we will continue to focus our efforts on stocking N95 masks. We continue to focus significant efforts on stocking N95 masks but they continue to be in exceedingly short supply. We will continue to seek out inventory to stock as soon as possible and hopefully on an ongoing basis. To be clear, we will sell any PPE we acquire at a fair price as acquired by our vendors—as always, our pricing is reflective of our own acquisition costs.





## COVID-19 Test Kits

Since the outbreak of the current crisis, AmerisourceBergen has been working diligently to source antibody (serology) COVID-19 test kits for our customers. Antibody serology tests detect the specific antibodies that could indicate if a patient has developed an immune response to COVID-19. The FDA has issued Emergency Use Authorization (EUA) for some serology tests, however, others are being marketed without EUA or other FDA approval.

Unfortunately, the quality, efficacy and accuracy of currently-marketed test kits varies greatly, and the ability to source serology test kits with an EUA has proven challenging for a multitude of factors outside of AmerisourceBergen's control. Most importantly, at the current time, AmerisourceBergen does not have confidence in the quality of serology test kits that have been offered to us.

As a result, we've made the decision not to distribute COVID-19 serology tests for our customer base at this time, and instead AmerisourceBergen's near-term efforts will focus on continuously monitoring the market for reliable test offerings, helping prepare and educate our customers and staying up-to-date on our customers' needs. We will continue to consider and prepare for market entry pending clearer FDA guidance on EUA approval and availability of reputable and reliable tests to ensure that every product sourced and distributed by AmerisourceBergen is in line with the standards of care that we and our customers expect.

## Accessing the Strategic National Stockpile (SNS)

The Strategic National Stockpile's (<https://www.phe.gov/about/sns/Pages/default.aspx>) role is to supplement state and local supplies during public health emergencies. Many states have products stockpiled, as well. The supplies, medicines, and devices for life-saving care contained in the stockpile can be used as a short-term stopgap buffer when the immediate supply of adequate amounts of these materials may not be immediately available. SNS requests will be channeled through the geographical area's Regional Emergency Coordinator. The plan is for requests to be made by the local facility treating the affected patient. Once a request for SNS medication is validated, state and local public health authority will coordinate sending/fulfillment of request to the requesting facility. More information is available on the [Public Health Emergency website](#).

## Distribution & Business Continuity

AmerisourceBergen has business continuity plans in place across all areas of the business.

### Customer Service Call Centers

In normal times of business, we have redundancy across multiple customer support locations to ensure continuity of service in the event of a disruption. Since March, most of our customer service teams have been working remotely as we continue to do everything possible to protect our associates' safety and ensure your continuity of service.

### Updated - Distribution Center Staff

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.

We are proactively implementing several measures in our distribution centers to ensure staffing continuity:

- Providing our associates with support from our HR department to help manage through childcare disruptions and other needs.
- Providing our associates with financial support, given the critical nature of their role
- Implementing a cross-distribution center backup program, where a distribution center can "borrow" staff from another distribution center in the region.

To ensure continuity of operations of essential functions during the ongoing COVID-19 pandemic, the Centers for Disease Control and Prevention (CDC) has issued interim guidance that advises critical infrastructure employees may be permitted to continue work following potential exposure to COVID-19, provided they remain asymptomatic and daily health pre-screening precautions are implemented to protect them and the community. Temperature testing is one part of our daily health screening procedures.

Testing is conducted by a certified healthcare professional and is accompanied by a cell phone-based associate, visitor and vendor health screening questionnaire to ensure the utmost safety and privacy for our associates. The health screening questionnaire and temperature testing has already been implemented at 30+ sites, will be implemented at all AmerisourceBergen U.S. sites by early May.

We are encouraging our distribution center associates to wear a mask while working in our facilities. Whenever possible, we'll provide surgical masks or other non-N95 masks to our associates. We are also sourcing cloth and tools for our associates to make their own masks, as even surgical masks are in short supply.

## **Sanitation & Cleanliness Procedures**

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. We are also regularly bringing in third-party cleaning organizations for deep cleaning procedures during off hours.

We are encouraging our distribution center associates to wear a mask while working in our facilities. Whenever possible, we'll provide surgical masks or other non-N95 masks to our associates. We are also sourcing cloth and tools for our associates to make their own masks, as even surgical masks are in short supply.

## **In the Event of a Confirmed COVID-19 Case at one of our Distribution Centers**

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. In the event of any unanticipated closure, AmerisourceBergen would enact our business continuity plans and backup distribution center support.. For example, on April 6, after multiple confirmed cases at our Newburgh, NY distribution center (in the NY hot zone), we made the decision to temporarily close and deep clean our facility. This decision, while not an easy one, was made to protect our associates and give them the opportunity to monitor their own health so they can return to work healthy and ready to continue to support your business. During this temporary closure, customers normally serviced by the Newburgh, NY distribution center are being serviced by an alternative distribution center. In fact, in total, five of our distribution centers are playing a role in the business continuity plan we enacted to support the temporary Newburgh closure.

## **Government Intervention in the Pharmaceutical Supply Chain**

President Trump signed an executive order giving the government the ability to redirect resources and manufacturing entities, particularly around personal protective equipment and ventilators. We are confident in the strength of the commercial supply chain and how well we and our competitors understand pharmaceutical distribution, as well as our relationships with our manufacturer partners and their processes. We have DOJ approval to collaborate with commercial supply chain entities during COVID-19 as part of the emergency response efforts. Through our partnership with Healthcare Ready and others, we feel we have the right relationships with government entities to ensure that we can all get our fair share of what we need to ensure stability of the supply chain.



# Global Business Resilience Summary

AmerisourceBergen Corporation (ABC) provides pharmaceutical products, value-driving services and business solutions that improve access to care. Tens of thousands of healthcare providers, veterinary practices and livestock producers trust us as their partner in the pharmaceutical supply chain. Global manufacturers depend on us for services that drive commercial success for their products. Through our daily work—and powered by our 21,000 associates—we are united in our responsibility to create healthier futures.

To ensure the continuity of product and service delivery, AmerisourceBergen Corporation's objective is to respond to any major disruption by safeguarding our associates' well-being, protecting company assets, and servicing our customers and patients with minimal delay or inconvenience. In the event of a significant business disruption, ABC will initiate resumption of operations as quickly as possible.

Additionally, ABC operates a 24x7x365 Global Watch Center (GWC) to protect the safety and security of ABC associates and operations. The GWC proactively monitors for threats that may affect any of our global locations and serves as the centralized hub for responding to emergencies and crisis situations impacting ABC.

In support of our objectives, ABC has developed policies that require active and current business continuity plans (BCPs) for all subsidiaries and affiliates with a focus on documenting effective strategies to continue and/or resume critical business functions after a disruptive event. Our risk management philosophy also requires pre-disaster mitigation of exposures where cost effective.

## Emergency Communications

In the event of a significant disruption, ABC has the capability to reach out and communicate with all associates across the organization using a mass emergency notification tool to ensure associate safety, as well as to initiate recovery activities.

Automated and manual methods are also in place for timely notification of our customers following a significant business disruption.

## Continuity and Recovery Planning

In the event of a business disruption, BCPs are designed to help us to continue operation of critical business functions, such as processing customer orders, maintaining regulatory compliance and distributing goods and supplies to customers and patients. Depending on the affected business unit(s), continuity strategies may include:

- Relocating impacted businesses to designated response and recovery locations;
- Using redundant processing capacity at other locations;

- Designing our technology and systems to support the response and recovery processes for critical business functions; and,
- Adopting a communication plan to ensure that AmerisourceBergen's customers and associates receive emergency notifications and instructions via a variety of sources and channels.

As part of our resilience program, ABC identifies the applications that are critical to each of our business divisions. Robust backup, replication and archiving strategies have been implemented to protect our data and we have established IT Service Continuity Plans to address high availability and disaster recovery for designated critical systems.

To ensure a continuous state of readiness, all resilience-related plans are required to be reviewed, tested and maintained on an annual basis to ensure that documented information is current and recovery strategies support our operational objectives.

ABC enterprise resilience strategies are designed to respond reasonably and effectively to events of varying scope, including business disruptions that may be internal to ABC as well as larger widespread disruptions that effect entire geographic regions. Because the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur.

ABC has a long and proud history of resilience during disruptive events—from local occurrences, such as power outages, through larger events like hurricanes—that demonstrates both our commitment to excellence in business resilience and our ability to serve our customers and patients.

**Although we have taken significant steps to develop and implement sound business resilience plans, we cannot guarantee that systems and business functions will always be available or recoverable after a disaster or significant business disruption. However, we believe that our planning for such events is robust and consistent with many of the best practices established within the industry. Any material changes to the above information will be made available upon request.**

Because of the confidential and proprietary nature of the material they contain, ABC does not share its business resilience plans with individuals outside the organization. Under certain circumstances, and with non-disclosure agreements (NDAs) in place, ABC is willing to provide summary information or meet with parties interested in discussing specific parts of the policies and plans.

If you have further questions regarding our business resilience program, please contact your AmerisourceBergen Account Representative or the Global Business Resilience Office.

*The information contained in this disclosure is provided for informational purposes only. Nothing contained herein shall be construed to amend, supplement or otherwise modify any of the terms and conditions set forth in any customer agreement.*