DTP schemes’ pros and cons examined

In March 2007, Pfizer introduced a direct-to-pharmacy distribution scheme. Since then other manufacturers have followed suit. Nicola Cree looks at the impact DTP distribution has had on patients, wholesalers and manufacturers.

Direct-to-pharmacy distribution has led to increased work burden, costs, and hassle for pharmacists, and decreased convenience for patients, says Fin McCaul, chairman of the Independent Pharmacy Federation. Independent contractors’ lives are now “extremely challenging”, he says, with pharmacists having to deal with numerous manufacturers and quotas.

Paul Smith, chief executive officer for Phoenix, also says that the system has got more complicated for pharmacists. “There is much more complexity in the system now for pharmacists, and this is probably not the case for manufacturers”, he says. The effort now required to deal with multiple suppliers should not be underestimated, says Ian Brownlee, managing director, Mawdsleys Group.

However, despite the difficulties pharmacists have encountered with the DTP system, some of the wholesalers seem to believe it is working. “Three years on [from the launch of Pfizer’s DTP scheme] we believe it is working well and overall has encouraged a more partnership-led approach within the supply chain,” says Jeremy Main, managing director, Alliance Healthcare.

However, Mawdsleys Group has a different view, with Mr Brownlee saying that from the perspective of the wholesalers and pharmacists in primary and secondary care, DTP schemes have “generated no perceptible benefit either in driving efficiency through the supply chain or, most importantly, to patient care”.

Impact on patients

Mr McCaul says that although he has no direct evidence, he believes that DTP has had an impact on patient care. “There have been issues cited in the past where patients have not got the right medicines at the right time,” he says. How dramatic the impact is is impossible to tell because “we spend more time sourcing drugs than we do recording the implications”, he says.

“The greater burden now on pharmacists to acquire medicines has made what was a relatively simple process more complicated, and this impacts on them delivering the best level of care for their patients,” says Mr Smith. “In an age of provision of pharmacy services, it is difficult to see how time being spent sourcing medicines does not distract pharmacists from providing services to patients,” he adds.

However, Mr Main believes that DTP has helped the continuity of supply to patients. “We believe the real potential for the patient will come from manufacturers having to gain a better understanding of the role of pharmacy within patient care,” he says. He adds that the changes to the supply chain since 2007 (DTP and reduced wholesaler methods) have helped improve relationships between pharmacies and manufacturers.

Impact on wholesalers

The introduction of DTP has also had an impact on wholesalers. “There has been a clear impact of DTP and the reduced wholesaler model on regional wholesalers and shortline wholesalers, and therefore generally less competition,” says Mr Smith. “Reduced competition in any market place is not a good thing,” he adds.

Mark James, group managing director, AAH Pharmaceuticals, also says that DTP has had particular implications for regional wholesalers. The change in the market has meant that AAH has “had to invest a huge amount of time, money and effort in responding to tenders, managing the ongoing relationships with manufacturers and implementing new IT systems while dealing with increasing pressures on our margins from all sides”, says Mr James. Mr Main also says that the introduction of DTP has “meant a real shift in thinking” for Alliance Healthcare.

However, some wholesalers have not been able to make the changes and have been sold or fallen by the wayside, says Mr Brownlee.

Impact on manufacturers

Steve Poulton, commercial director and head of the Established Products Business Unit, Pfizer, says: “Pfizer’s DTP model is now a proven and robust distribution model, which delivers industry-leading service levels to our customers.”

Another spokesman for Pfizer said that the company meets consistently high service levels of over 99 per cent. “DTP allows us to take full responsibility for our prescription medicines. . . . This supports our industry-leading position in tackling the dangers posed by the trade in counterfeit,” he said. He added that in the UK, Pfizer and the Medicines and Healthcare products Regulatory Agency have not had to recall a suspected counterfeit Pfizer medicine since the launch of DTP.

DTP has allowed Pfizer to have a positive impact on patient care and to ensure continuity of supply of genuine medicines to UK patients, he says. “During the current supply shortage of medicines in the UK, our DTP arrangement is proven to be effective, delivering the highest levels of stock availability in the industry . . . .” he says.