HDA
Healthcare Distribution Alliance
HEALTH DELIVERED

March 26, 2026

Chair Klein, Vice-Chair Seeberger, Ranking Member Dahms and Members of the Committee,

On behalf of the Healthcare Distribution Alliance (HDA), the national trade association representing pharmaceutical wholesale distributors, we offer this letter in opposition to the proposed reporting requirements for wholesale distributors under Subdivision 14 in SF 4419.

The Healthcare Distribution Alliance (HDA) is the national trade association representing primary pharmaceutical wholesale distributors. Our members provide essential logistics support connecting more than 1,400 manufacturers around the country with over 450,000 sites where patients receive care, including approximately 5,000 pharmacies, hospitals, and other healthcare settings throughout Minnesota.

We are primarily concerned with the requirements of this provision since wholesalers simply do not have access to the information being requested. Wholesalers are logistical intermediaries in the drug supply chain, they do not negotiate rebates. Those negotiations occur exclusively between manufacturers, pharmacy benefit managers, and group purchasing organizations. Since wholesalers are not party to these agreements, they do not have visibility into rebate arrangements across the supply chain and would not be able to accurately report the required data.

Further, any data that could be submitted would likely be incomplete and inconsistent. Without full insight into these arrangements, the information risks being misleading or conflicting, which would ultimately undermine the goal of transparency rather than support it. The language as written also lacks clarity. Key terms and reporting expectations are not well defined, making consistent and compliant reporting extremely difficult, if not impossible.

If the goal is to better understand pricing and rebate flows, the reporting requirements should be directed toward the entities that actually negotiate and control those arrangements. Requiring wholesalers to reconstruct or guess data they do not have access to places a burden on parties that are not positioned to comply, and risks producing conflicting or misleading information that undermines transparency rather than improving it.

For these reasons, we respectfully believe this provision within SF 4419 is not feasible as written and would not achieve its intended purpose. We request that those provisions be struck from the language, or redirected toward the entities that are actually involved in negotiating and controlling these agreements.

Thank you for your time and consideration. You can reach me at any time at hseitzinger@hda.org or (651) 247-2591 if you have further questions.

Sincerely,

Hannah Seitzinger
Director, State Government Affairs
Healthcare Distribution Alliance