**Greg Bolan**

Executive Summary

My motivation for the Drug Distribution Channel project is to determine the flow of drugs to patients from the manufacturer, and then delve into the dynamics of drug distributors’ (i.e., wholesalers and pharmacies) revenue growth vs. consumer spending growth. I want to show that drug distributors’ revenue growth and growth in overall spending on pharmaceuticals will outpace economic growth in the future. I also want to show the drivers of increasing pharmaceutical spend, which mostly emanates from an aging population; a population where chronic diseases are most prevalent.

Motivation

I am concerned that continued growth in pharmaceutical spend will weigh heavily on a population that is aging and increasingly dependent on fixed income to survive.

Data Question

Looking back and going forward, will drug distributors’ revenue growth and growth in overall spending on pharmaceuticals outpace economic growth? What are the drivers of increasing spend on drugs? An aging population, which is a population where chronic diseases are most prevalent.

MVP

I plan to utilize excel and Tableau to present my project. The flow of the presentation should be something like this:

1. Define the flow of drugs from manufacturer to patient.
2. Drill down to growth dynamics of drug wholesalers and pharmacies, and the US consumer.
3. Show research that points to an aging population in the US
4. Show research that suggests aging population will lead to greater chronic conditions
5. Show increasing utilization of drugs by older people; 65+ compared to other age demographics
6. If this is not enough, I thought about throwing in some stats on increasing use of specialty drugs (biologics; IV and injectables) as chronic conditions increase with an aging population.
7. **The audience would be insurers, most notably government entities like Medicare and State Medicaid institutions. The audience could also be entities looking to enter the drug distributor network given all of the tailwinds coming from increasing drug spend. Take for example, Amazon, which announced on 11.17.2020 it would offer prescription discounts and prescription home delivery.**

Schedule

1. Get the Data (finish date): Nov 30, 2020
2. Clean & Explore the Data (finish date): Dec 7, 2020
3. Create Presentation of your Analysis: Dec 21, 2020
4. Internal demos: Jan 04, 2020
5. Demo Day: Jan 07, 2020

Data Sources

1. Centers for Medicare & Medicaid Services (CMS)
2. United States Census
3. Congressional Budget Office (CBO)

Known Issues and Challenges

I should not need to request any data. Given how broad and messy government data can be, I suspect there will be a need to clean the data extensively. Also, since I am pulling from multiple sources into Tableau I suspect there will be plenty of technical difficulties.