
COVID-19 Update: March 27, 2020**Dear Valued Customer,**

The team at McKesson remains committed to supporting our customers during this unprecedented challenge. Our team members are working day and night to supply critical medical supplies, pharmaceuticals and testing solutions to healthcare professionals across the U.S. We meet frequently with the federal government and other healthcare stakeholders to help with our country's response to this crisis.

Supply Challenges Continue

We are collaborating with the U.S. Department of Health and Human Services (HHS) and the Federal Emergency Management Agency (FEMA) to coordinate our procurement of supplies from existing and new sources. McKesson is buying as much of the inventory in high demand as we can safely procure.

Despite these efforts, we continue to struggle to receive and redistribute many critical personal protective equipment (PPE) items and other essential items. Although some of these products have begun to flow out of factories again, a significant gap remains today between our supply and your needs and will likely persist for several weeks or more.

Updating our Allocation Strategy

In late January, McKesson restricted who could buy high-demand products with supply constraints. We also stopped selling to consumers and resellers and limited what existing customers could buy from us. Since those early days and actions, we have placed more products on allocation. We sincerely apologize for the challenges these limitations have placed on our program and the supply chain. We continue to work with our supply partners to source the volume of products you need and get them to you as quickly as possible.

We will align our allocation policies to the recommendations of the federal government. As our supply levels improve and the government evolves guidance on the prioritization of providers or geographic markets, we will continue to adapt our distribution policies.

Looking Forward

We ask for your understanding as we adjust to the federal government's recommendations, direct critical products in short supply, make tough decisions and continue to do the best we can to serve those most in need.

We are in regular contact with lab testing manufacturers and are closely monitoring the development and availability of new tests under recently updated guidance from the Food and Drug Administration (FDA). While the growing number of new tests being announced is positive news, the commercial availability of these tests is very limited. We will be sure to keep you apprised of new and actionable information about lab testing.

We see modest improvements in the supply chain. We believe the social distancing we are all exercising will temper the outbreak and slow the demand for PPE and other items, helping resupply to catch up. Together we will bring our communities back to the safety and health we have enjoyed for so long. Thank you for your continued partnership.

Sincerely,

Stanton McComb

President, McKesson Medical-Surgical