The Australian eHealth Supply Chain Reform Programme - From Implementation to Innovation with Inspiration

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Manager Supply Chain

Transforming the way Australia’s health sector does business.

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Contents

2. Supply Chain Reform – The Why
4. eProcurement Solution – The How
Australia at a Glance

- **22.6 million people** currently live in Australia
- **Life expectancy continues to increase**, so an Australian male born today can expect to live to 79.2 years and a female to 83.7 years
- **Australians aged 80 years or over** is about 800,000 (3.7% of the total population); nearly 2/3 are female
- **64% of people live in capital cities**, numbering 14 million in June 2009
- **Expenditure on health was 9.1% of GDP** in 2007–08, amounting to over $103 billion or $4,874 per person (just $10 billion in 1980) AUD$130 billion in 2010-11 (9.8% GDP)
- 70% is publically funded & 30% privately funded
- 8 State & Territory Governments (State Health Departments) and Federal Department of Health and Ageing

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Australia at a Glance

<table>
<thead>
<tr>
<th>STATE</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>354,900</td>
</tr>
<tr>
<td>NSW</td>
<td>7,191,500</td>
</tr>
<tr>
<td>NT</td>
<td>227,700</td>
</tr>
<tr>
<td>QLD</td>
<td>4,473,000</td>
</tr>
<tr>
<td>SA</td>
<td>1,633,900</td>
</tr>
<tr>
<td>TAS</td>
<td>505,400</td>
</tr>
<tr>
<td>VIC</td>
<td>5,496,400</td>
</tr>
<tr>
<td>WA</td>
<td>2,270,300</td>
</tr>
<tr>
<td>Total</td>
<td>22+M</td>
</tr>
</tbody>
</table>
Figure 1.3: Health services—funding and responsibility
NEHTA’s Purpose: Establishing the Foundations for e-Health

Lead the uptake of e-health systems of national significance; and coordinate the progression and accelerate the adoption of e-health by delivering urgently needed integration infrastructure and standards for health information.
NEHTA’s Structure

The National E-Health Transition Authority (NEHTA) is a company established by the Australian, State and Territory governments in 2005 to develop better ways of electronically collecting and securely exchanging health information.

Independent company – state and federally government funded, including:

• Board of Directors (CEOs of Health Jurisdictions, an Independent Director and an Independent Chair)
• Board Committees
• The Chief Executive Officer
• The Company Secretary
• The NEHTA Organisation

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# The nehta Supply Chain Work Program

<table>
<thead>
<tr>
<th>Category</th>
<th>Clinical Information</th>
<th>Individual Information</th>
<th>Shared Information</th>
<th>(Others)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personally Controlled EHR</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>E-Health Services</td>
<td></td>
<td></td>
<td></td>
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<td>Shared Health Profile</td>
<td></td>
<td>Event Summaries</td>
<td>Self Managed Care</td>
<td>Complex Care Management</td>
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<td>E-Health Solutions</td>
<td>ePathology</td>
<td>eDischarge</td>
<td>eReferral</td>
<td>eMedications</td>
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<tr>
<td>National Infrastructure Components</td>
<td>Terminology</td>
<td>Secure Messaging</td>
<td>Identifiers</td>
<td>Authentication</td>
</tr>
</tbody>
</table>

- **eProcurement**: Highlighted as a critical component in the eHealth Solutions section.

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Supply Chain Reform can address:

- Lack of standardised product identification
- Lack of standardised location identification
- Multiple product data catalogues being maintained per hospital, per hospital network and per state
- Poor supply chain costs the health system money:
  - Wrong product ordered/delivered
  - Wrong quantity/poor forecasting and inventory management
  - Reduction of redundant purchasing tasks, inefficient work practices and greater accuracy through automation
Information is the enemy of disease

70yr old woman goes to hospital for a hip replacement...

Wrong prosthesis turns up...

No surgery =

1. Cost to patient – pain, increased iatrogenesis, stress, time, financial

2. Cost to health system – theatre, staff, bed, medications, other patients
Accurate Identification is Critical

eHealth is about:

✓ the right information,
✓ at the right place,
✓ at the right time,
✓ for the right person.
The National Product Catalogue (NPC) is a GDSN compliant data pool containing healthcare procurement data (item and price) + clinical data (regulatory numbers, GMDN, poisons schedule).

Is a way of suppliers providing standardised and accurate product and price data electronically to the Australian health departments and private hospital providers (one to many).

The NPC enables synchronisation of product and pricing data for accuracy in electronic procurement.
Streamlining the Supply Chain

The NPC – Data Synchronisation

Product and Price Synchronisation

Supplier 1 Manufacturer
Supplier 2 Importer
Supplier 3 Distributor
Supplier 4 Wholesaler
Supplier 5

GS1Net

NPC

Other Data Recipients
Retail Pharmacy, Private Hospitals

Hospital
Health Department
Hospital
Health Department
Hospital

Hospital
Health Department
Hospital
Health Department
Hospital

Health Department
Health Department
Health Department
Health Department
Health Department

Supplier 1
Supplier 2
Supplier 3
Supplier 4
Supplier 5

Hospital
Hospital
Hospital
Hospital
Hospital
NPC Progress

National Product Catalogue
- 210,000+ items, 360+ suppliers
- All jurisdictions accessing data
- Clean, standardised data in all systems
- All major wholesalers signed up
- Most large pharma companies have populated
- Large medical devices companies either populated or getting data organised

Private Sector
- Private Hospitals
- Community Pharmacies / pharmacy software providers
- Accurate reference of Prosthesis Rebate Code for billing benefits

Clinical Outcomes Focus
- Clinical Terminologies – Australian Medicines Terminology (AMT)
- Product tracking and recall
- Bedside scanning (incl. batch, exp., serialisation, etc) => patient record
- TGA approval of pharmaceuticals
Streamlining the Supply Chain

eProcurement Solution

**NPC Data Synchronisation**

- Centralised Catalogue Synch
- Internal Data Synchronisation
- Central Purchasing
- Hospital
- Ward
- Pharmacy

**GS1Net**

- GTIN
- Manufacturer

**Wholesalers**

**Distributors**

**Pharmacy**

**PURCHASE ORDER**

**BUYERS**

**ORDER RESPONSE**

**ORDER CHANGE**

**DESPATCH ADVICE (ASN)**

**INVOICE**

**REMITTANCE ADVICE**

**SUPPLIERS**

**RECEIVE DATA**

**PUBLISH DATA**

**eProcurement**

- Manufacturer assigns GTINs
- Centralised Catalogue Synch
- Internal Data Synchronisation
- Central Purchasing
- Hospital
- Ward
- Pharmacy

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NPC – Public Health Organisation Usage

- VIC – understanding use patterns; not having to ask suppliers what the State has bought from them
- NSW – data maintenance work effort/invoices on hold and delayed payment time (> 90 days and no discount)
- WA – want to get to eProcurement (too much paper); can’t do this without accurate data
- SA – warehousing and dimensions; process change for overall supply chain reform
- TAS/ACT/QLD – data maintenance work effort and data accuracy; scan the bar code at the pharmacy, but have no record in internal systems
- NT – standardising a single catalogue (multiple product identifiers) and moving to eProcurement in next phase
NPC – Private Health Organisation Drivers

- Prosthesis rebate codes linkage – reimbursement from the insurers (also now identified as an issue for public hospitals as well) = 1 hour/hospital/day on phone
- Accurate data – maintenance and collection effort
- Better visibility – understanding spend trends (EBITDA)
- eProcurement – but need accurate data first
- Not just health data – also food service, medical grade PCs and hand held devices + hotel services sectors
NPC – What do suppliers see

• Development data maintenance processes and ownership for data within their businesses – a single source
• Sales of products that they haven’t promoted to jurisdictions
• Criteria in tender submissions = NPC compliance
• Ability to move to eMessaging/eProcurement
• Trading advantage – our business is easier for the jurisdictions to work with
NEHTA – The Road Ahead…

1. Continue to **provide a single NPC** for the procurement of medicines, medical devices and healthcare products

2. Accelerate organisations’ **eProcurement readiness** to trade electronically, utilising data loaded onto the NPC

3. Support **business process improvement** and **standardised tender process** for tender submission, utilising data loaded onto the NPC across organisations

4. Increase the **evidence base** in healthcare supply chain and develop **industry-level KPI framework**

5. Establish **action plan** for jurisdictions increased utilisation; and **NPC data quality and synchronisation capability**

6. Create an **eProcurement flagship**; and recognise healthcare supply chain industry excellence through **best-practice awards**
The NEHTA Supply Chain Web Site
www.nehtasupplychain.com.au
Summary

2. Supply Chain Reform – The Why
4. eProcurement Solution – The How
Thursday 22\textsuperscript{nd} March (pm)  
NEHTA Global Government ThinkTank

The ThinkTank will provide invited participants with:

- A global healthcare leaders forum to explore synergies in Supply Chain innovation and reform
- Specialist understanding of the importance of standards-based Supply Chain initiatives and their link to patient safety
- Sharing of benefits and learnings from international best-practice

ThinkTank Format

- Invited country showcase presentations
- Round-table executive discussions
- Potential global alliances and synergies formed
Contact and Questions

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See you in Sydney 20-22 March 2012