

# The Australian Supply Chain Reform – Past, Present and Future

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Copenhagen, Denmark  
22 October 2014

# Agenda

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1. Australian Supply Chain Reform – The Past
2. Australian Supply Chain Reform – The Present
  - National Product Catalogue
  - eProcurement Solution
  - Locatenet
  - Recallnet
3. Australian Supply Chain Reform – The Future













# About NEHTA



Established in 2005, The National E-Health Transition Authority (NEHTA) is a corporate entity owned by the Australian Federal, state and territory governments, to identify and jointly develop the necessary foundations and services for a national eHealth capability with the goal to:

- Improve the quality and safety of healthcare
- Reduce waste and inefficiency
- Improve continuity and health outcomes for patients

# NEHTA Work Programme Overview

<u>Personally Controlled Electronic Health Record</u>	Clinical Information	Individual Information 	<u>Shared Information</u> 	Others	
eHealth Services	<u>Shared Health Summary</u> 	<u>Event Summary</u> 	Self Managed Care	Complex Care Management	Medications Management
eHealth Solutions	<u>ePathology</u>	<u>eDiagnostic Imaging</u>	<u>eDischarge</u> 	<u>eReferral</u> 	<u>eMedications</u> 
National Infrastructure Components	<u>Terminology</u> 	<u>Secure Messaging</u> 	<u>Identifiers</u> 	<u>Authentication</u> 	<u>Supply Chain</u> 

# Supply chain problems impact buyers and suppliers

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- Use of multiple proprietary product and location identification
- Multiple product data catalogues being maintained per hospital, per hospital network and per state
- Wrong product ordered/delivered
- Wrong quantity/poor forecasting and inventory management

# eHealth Supply Chain Reform

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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



# eHealth Supply Chain Reform

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Accurate Data is Critical

eHealth Supply Chain Reform can deliver:

- ✓ The right **products**, at
- ✓ The right **price**, for
- ✓ The right **person**, in
- ✓ The right **location**, at
- ✓ The right **time**

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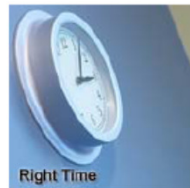
# The National Product Catalogue

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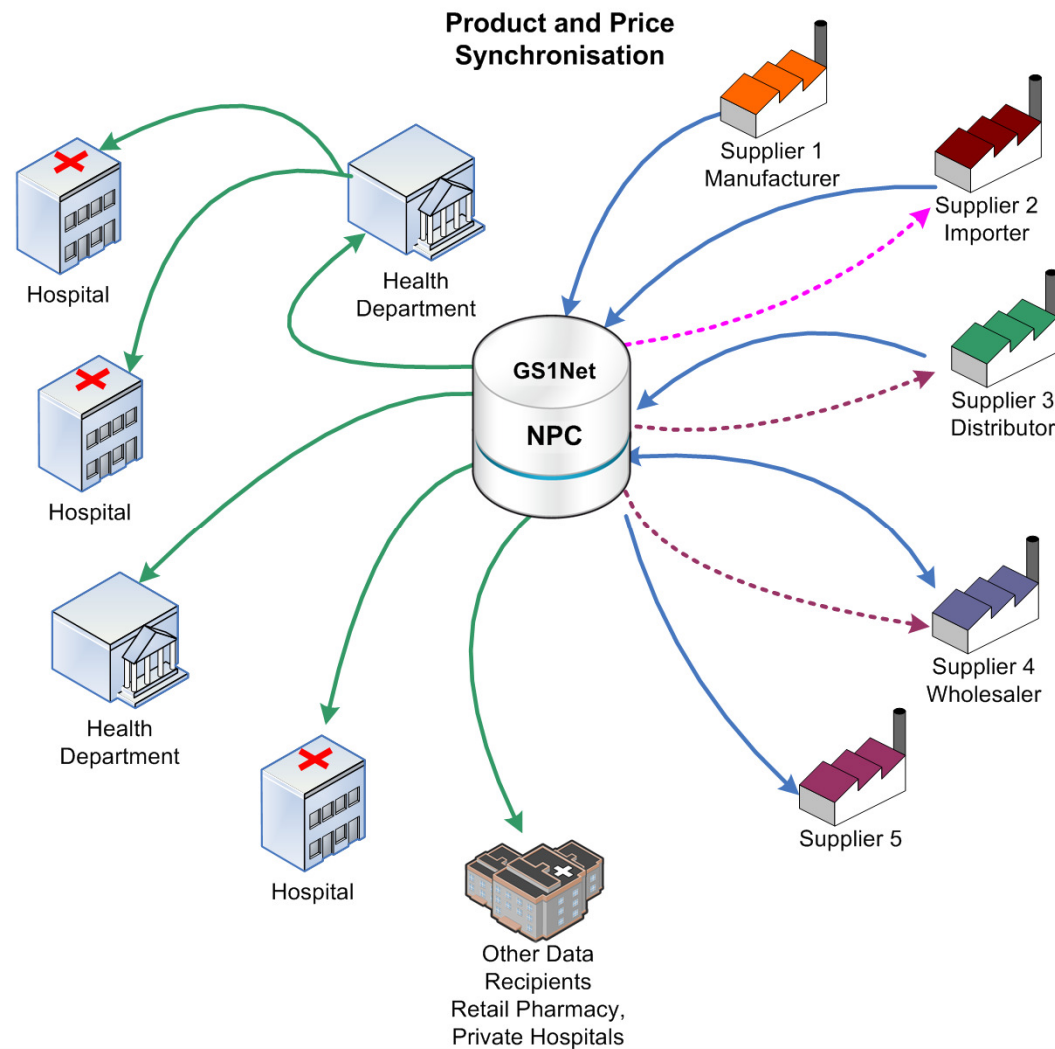
## The Solution:

- The National Product Catalogue (NPC) is a way for suppliers to provide standardised and accurate product and price data electronically to the Australian health departments and private hospital providers.
- The NPC provides suppliers with a single mechanism to communicate structured catalogue data to many health customers – and the health customers a single way to access this data from multiple suppliers.
- The NPC enables synchronisation of product and pricing data for accuracy in electronic procurement.



# NPC – Data Synchronisation

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Product data is common to all - Price data is customer specific

# NPC – Data Usage

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## National Product Catalogue

- **336,000+** items, **460+** suppliers
- All **jurisdictions** accessing data
- Clean, standardised data in all systems

## 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



NEHTA anticipates that full implementation of the NPC will save the public healthcare sector at least \$AUD200 million per annum by ensuring accurate, valid and up-to-date product data, and improved communications and supply chain operations

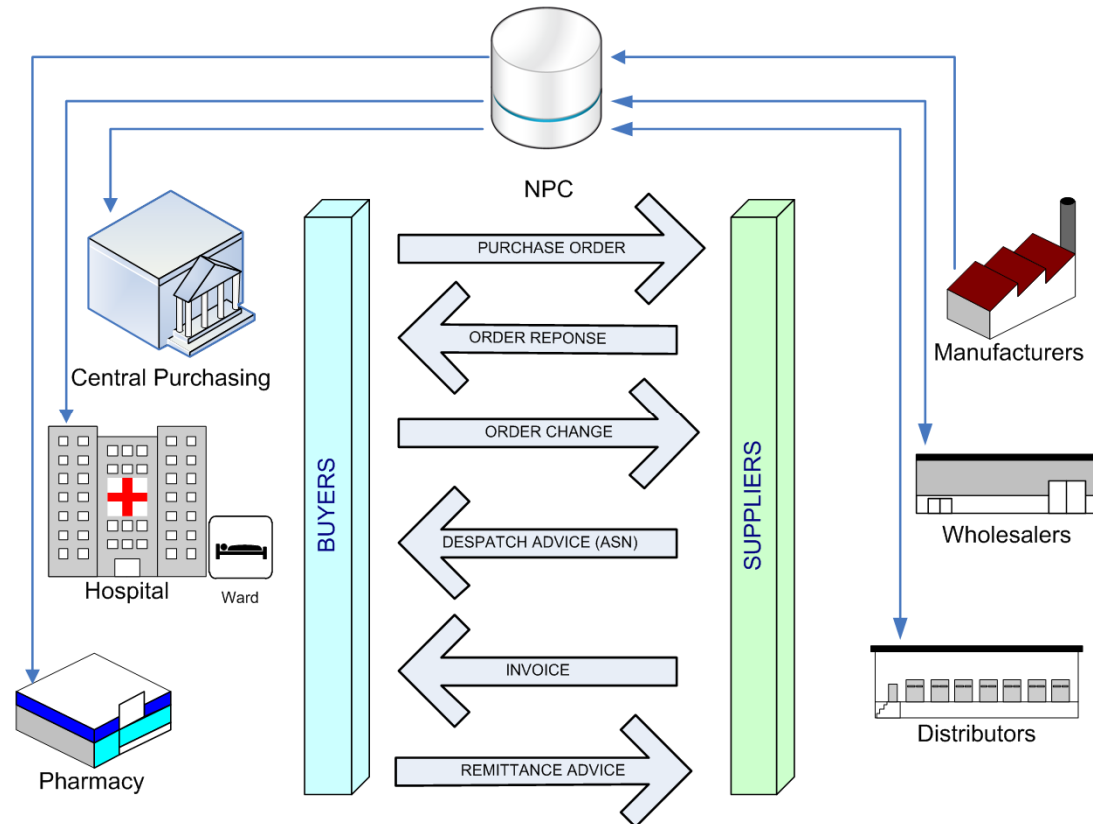
*(Deloitte, 2004. Recommendations for National IM & ICT Enablers in the Health Sector Supply Chain report).*

# eProcurement Solution



## eProcurement

NPC is key to standard **data** and a shared identifier across all parties – **GS1 Product Number (GTIN)**



# Healthcare Locatenet

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- Centralised repository for supply chain locations
- Uses GLNs as the unique location identifier
- Standardised, industry-driven communication tool
- Provides a network of uniquely identified Healthcare locations
- Enables trading partners to electronically share location information
- Provides ability to bill-to and ship-to different locations
- GLN Rollout for Jurisdictions using Browser Template and APIs for Enterprise Systems

# Healthcare Recallnet Overview

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## Project Need

- Product recalls have a large impact on all involved
- Product recalls are increasing
- Opportunities exist to improve the product recall process through new technologies, data standards and a more streamlined process

## Project Mission

To deliver an electronic product recall notification system in the Australian healthcare sector, through a phased approach, to improve the speed and accuracy of the therapeutic goods recall process with the aim of improving patient safety.

NPC is key to standard **data** and a shared identifier across all parties  
**GS1 Product Number (GTIN) and Location Number (GLN)**

# TGA and Healthcare Recallnet

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**3 December 2013**

The Therapeutic Goods Administration (TGA) wishes to clarify that it is not a requirement for sponsors of therapeutic goods in Australia to join GS1 Recallnet Healthcare to undertake recall actions. This clarification has been issued to address any industry confusion about GS1 Recallnet Healthcare and the way recalls of therapeutic goods will be undertaken in the future.

**GS1 Recallnet Healthcare provides sponsors with an alternative method for notifying the TGA of recall actions and communicating with customers who have been supplied defective products.**

**The TGA has contributed to the development of GS1 Recallnet Healthcare** through the provision of advice to GS1 Australia on the requirements and procedures outlined in the [Uniform Recall Procedures for Therapeutic Goods](#) (URPTG), which still apply.

**Further, the TGA has agreed that a signed electronic copy of an approved recall letter can be distributed to customers through GS1 Recallnet Healthcare**, subject to the ability to confirm receipt. The TGA will continue to:

- receive sponsors' notifications regarding proposed recall actions
- classify proposed recall action
- approve the recall strategy and correspondence
- include the approved recall in the [System for Australian Recall Actions](#)
- monitor the implementation and effectiveness of the recall action.

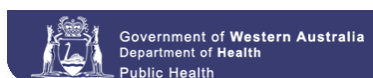


# Who is involved?

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The Royal  
Children's  
Hospital  
Melbourne



Queensland Government  
Queensland Health



Government  
of South Australia  
Department of Health



Australian  
Competition &  
Consumer  
Commission



Australian Government  
Department of Health and Ageing  
Therapeutic Goods Administration



Medical Technology  
Association of Australia

AUSTRALIAN COMMISSION ON  
SAFETY AND QUALITY IN HEALTHCARE



The Pharmacy  
Guild of Australia

National E-Health Transition Authority  
[www.nehta.gov.au](http://www.nehta.gov.au)



# Progress to date

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- **States and Territory Health Departments**  
VIC and QLD Live in System  
NSW, WA, SA, NT, ACT Planning, Implementing and Beta Testing  
St Vincent's Health Group Implementing and Beta Testing
- **Suppliers**  
70 Entities Subscribed to System
- **Regulators**  
TGA, ACCC, Health subscribed to System

eHealth: Case Study  
**Product Recall  
Notification System**



[www.nehta.gov.au](http://www.nehta.gov.au)



## Evidence

	Notification Type	Time Notification published to recipients post TGA review	Time Notification actioned by recipient	Time Notification actioned by recipient	End to End Duration (In Business Days)
1	Safety Alert (C)	17/04/2014 13:53	Immediate	53 mins	3
2	Recall (C) Class II	2/05/2014 12:07	Immediate	4 hrs 2 mins	9
3	Safety Alert (C)	6/05/2014 13:50	Immediate	2 hrs 14 mins	4
4	Recall (C) Class I	29/05/2014 15:22	Immediate	1 hr 6 mins	17
5	Safety Alert (M)	20/05/2014 12:12	Immediate	N/A	10
6	Recall (C) Class I	12/05/2014 9:35	Immediate	N/A	4
7	Recall (B) Class III	10/06/2014 15:29	Immediate	N/A	20
8	Recall for Product Correction (A) Class I	20/05/2014 17:16	Immediate	N/A	2
9	Recall (C) Class III	5/06/2014 17:01	Immediate	15 hrs 29 mins	7
10	Recall for Product Correction Class II	8/07/2014 14:25	Immediate	N/A	6
11	Safety Alert (B)	7/07/2014 13:39	Immediate	N/A	3
* Healthcare Recallnet Notification Statistics 9 July 2014					

## Benefits

- Sponsors
  - Real time electronic mass notification of recalls and non-recall notices
  - Enables prompt action to remove affected products from the supply chain
  - Increased visibility of returned and corrected goods
  - System to system integration, removing data entry and administration time
  - Improved patient safety and quality of care for all Australians
- Healthcare Providers
  - More accurate and timely information available to healthcare providers
  - Increased Recall information management via standardised reporting
  - Increased management visibility of recalls enabling more informed decision making and public comment
- Nationwide implementation, standardising processes and procedures

## Where are we now?

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- The NPC has been integrated by NSW, VIC, WA and ACT, with work underway toward full integration in SA and NT.
- NSW, ACT, VIC, SA and WA health departments are all using eProcurement and can trade electronically with trading partners.
- QLD and NT have plans to progress eProcurement and discussion are underway with Tasmania.
- Recallnet Healthcare launched April 2014. Recalls now actioned between 53 minutes and 15 hours post - notification. Paper notifications take between 4-6 weeks.

# Organisations are benefiting from supply chain reform

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Ged Halstead  
Chief Information Officer  
Clifford Hallam Healthcare (CH2)

*“CH2 has partnered with a major private hospital to implement the NEHTA eProcurement system and has now reached 10,000 GS1 XML messages per month being exchanged. The program is in its third year and has revealed immense value to both partners.”*



# Organisations are benefiting from supply chain reform

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*“In NSW Health the implementation of the NPC was the catalyst to state-wide procurement information systems integration and data convergence, paving the way to improved data accuracy and streamlined procurement business processes.”*

Valentino Bulaon  
Manager Catalogue and  
Procurement Information  
Business Procurement Services  
HealthShare NSW



# Organisations are benefiting from supply chain reform

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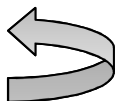
*“The successful implementation of NPC for Cook Medical resulted in a very positive ROI. We can look back now and see that despite our early and significant investment in NPC, we wish we’d done it even sooner and with more gusto!”*

Robert Webb  
Director - Asia Pacific  
Healthcare Business Solutions  
Cook Medical



## Global standing

- Of the Global Data Synchronisation Network (GDSN) pool, of which the NPC is the Australian version, Australia has:
- The second highest healthcare GTIN count in the world.
- 33% of the total global healthcare GTINs in the Australian market.
- The highest number of medical devices loaded (42% of the total global count).
- The highest number of pharmaceutical items loaded (63% of the total global count).





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# Australian Medicines Terminology

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- The Australian Medicines Terminology (AMT) is the intended national standard coding system for selecting, recording and communicating categorical descriptive medicines information within and between Australian eHealth applications.
- It delivers a unique code along with standard naming conventions to identify and accurately describe both branded (trade) and generic (medicinal) products at a number of levels of detail.



# Australian Medicines Terminology

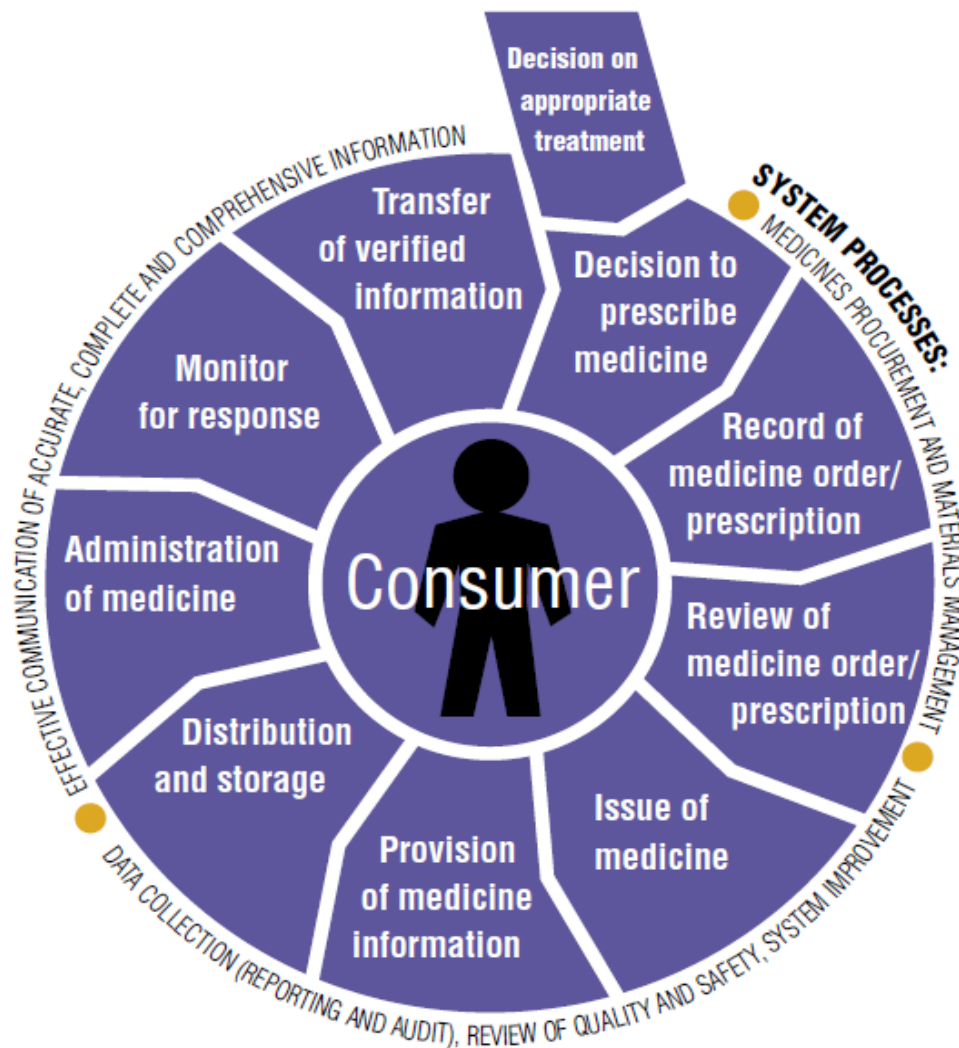
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- Developed to be fit for the purpose of unambiguously identifying for clinicians and computer systems, commonly used medicines in Australia and can be implemented in clinical information systems for the following activities:
  - Prescribe
  - Record
  - Review
  - Issue – including dispense
  - Administer
  - Transfer of information

# Medications Management Cycle

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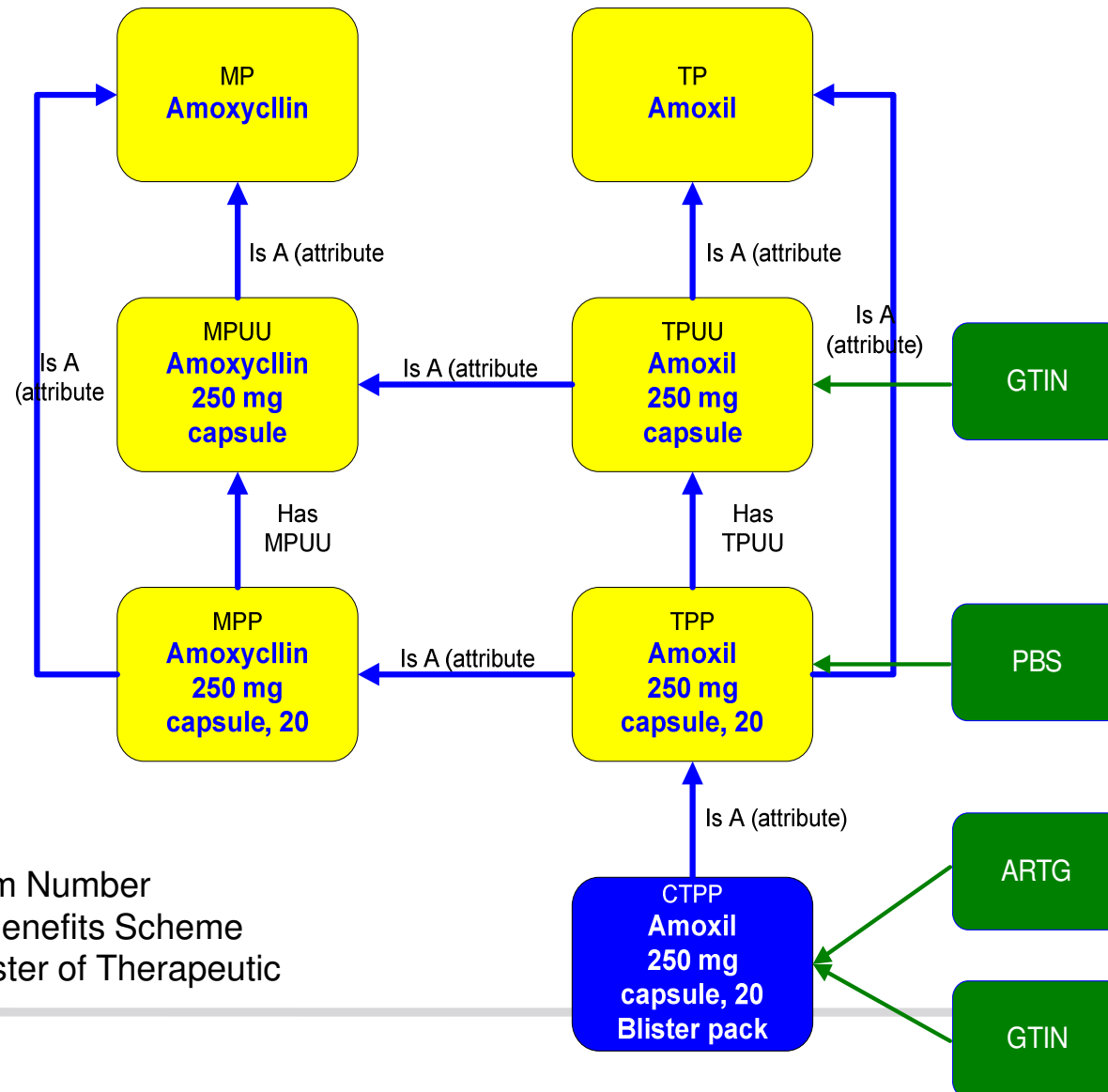


## Information Required:

- Procurement
- Product
- Materials management
- Pharmaceutical
- Terminology
- Clinical
- Logistics
- Patient

# AMT and NPC

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**GTIN:** Global Trade Item Number  
**PBS:** Pharmaceutical Benefits Scheme  
**ARTG:** Australian Register of Therapeutic Goods

## Proposed Next Steps

1. **Phase 1:** Associate AMT identifier to GTIN – align with TGA processes for new medicines.
2. **Phase 2:** Associate AMT identifier to GTIN – existing medicines on the NPC.
3. **Phase 3:** Enable interoperability between applications and CIS to deliver greater quality, safety and efficiency of care in relation to medicines, e.g. barcode scanning to the bedside.

# Where to from here?

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1. Increase the use of eProcurement in Healthcare Supply Chain to further increase accuracy and reduce costs for suppliers and buyers.
2. Drive up return on investment for buyers and suppliers through better use of product data.
3. Improve category management and clinical value by associating Australian Medicines Terminology (AMT) codes with GTINs.
4. Adoption of GS1 standards by Australian community pharmaceutical industry by February 2015 (including 5,400 community pharmacies).

# Contact and Questions

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Supply Chain

[www.nehta.gov.au/our-work/supply-chain](http://www.nehta.gov.au/our-work/supply-chain)

NEHTA specific information

[www.nehta.gov.au](http://www.nehta.gov.au)

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