The Benefits of UDI - From the perspective of a major US GPO

October 1, 2013
Topics

• The Premier healthcare alliance.
• Benefits of UDI.
• Healthcare standards in the US (Past & Now).
• What is needed to realize benefits?
Premier Healthcare Alliance - The nation’s largest

Our mission: To improve the health of communities

- 2.5 MILLION real-time clinical transactions daily
- ~200 healthcare systems
- 90,000+ Alternate sites of care
- $4.2 BILLION savings in 2011
- 2,700+ member hospitals
- Database representing 1 in every 4 U.S. discharges
- Malcolm Baldrige National Quality Award winner
- Five-time winner of Ethisphere’s Most Ethical Companies award
- Award-winning environmentally sustainable program
- $45 BILLION in group purchasing volume
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Owned by

Baystate Health

Summa Health System

Vanguard Health Systems

University Hospitals

Northeastern LIJ

Hartford Hospital

Texas Health Resources

Dignity Health

Fairview

Banner Health

Saint Francis

Presbyterian

Shriners Hospitals for Children

Adventist Health

Wells Fargo Health

TOTAL

2.5 MILLION

real-time clinical transactions daily

~200

healthcare systems

90,000+

Alternate sites of care

$4.2 BILLION

savings in 2011

2,700+

member hospitals

1 in every 4

U.S. discharges

Malcolm Baldrige

National Quality Award winner

Five-time winner of Ethisphere’s Most Ethical Companies award

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$45 BILLION

in group purchasing volume
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Benefits of UDI. Cost and Safety

Reduce the cost of Healthcare

- Supply chain efficiency *(Manufacturer, Distributor, Provider)*
- Healthcare provider processes *(Sourcing, logistics, inventory, billing)*
- Value based purchasing *(Analytics, product value comparison)*
- Recall of products *(Adds expense to all parts of supply chain)*
- Reduce duplication (Reduce redundant inventories and associated cost. ($60-$94 billion))
- Reduce Obsolescence. ($19-$27 billion)

Improve Patient Safety and the health of our communities

- Recall of products (a common vocabulary for reporting and enhance tracking abilities). *(105,000 medical devices per year)*
- Right patient, Right time, Right Device
- Better and more complete product information for clinical decisions
- Comprehensive patient health record *(includes product information)*
- Dependable product information for Consumer *(Business to Consumer)*
Benefits of UDI.

Improving Patient and Supply Chain Efficiency

Patient Safety

Healthcare Supply Chain Efficiency

- Identify & Capture Barcodes RFID
- E-Commerce EDI/XML Transactions
- Electronic Record Management e-Records e-Prescriptions
- Compliance FDA Unique Device Identification (UDI) 2015 CA State Drug Pedigree
- Traceability E-Pedigree Recalls Assets & Equipment Tracking

Standardized Product Definition (GDSN®)

Standardized Location Identification (GLN)

Standardized Product Identification (GTIN®)

Standardization → Interoperability

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Benefits of UDI -- McKinsey & Company Findings Strength in Unity

- “We have reviewed more than 25 case examples of collaborations. Our evaluation of these examples of early standards adoption suggests that even in these one-off applications, each participant in the healthcare system “microcosm” generated significant benefits.”

- “Analysis of expected investments and potential benefits that could accrue to each player in the healthcare value chain indicates that all parts of the system could achieve a positive return on investment from adopting global standards and enabling business processes – if a “critical mass” of channel partners adopt the same standards.”

- “Achieving this improvement will require a concerted effort by industry leaders who work across competitive and customer-supplier relationship boundaries to agree on a common vision and approach.”
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Healthcare Standards in the US - History

GS1 Healthcare Data Standards Adoption:
- GS1 Leadership
- CHeS Leadership
- HSCSC Leadership

GLN Synch & Implementation Project for Members

GTIN Pilot:
- GEISINGER
- Norton Medical
- Boston Medical
- Kimberly-Clark
- 3M
- KCI
- COOK

GLN Pilot:
- Fairview
- Geisinger
- Baptist Health South Florida
- Resurrection Health Care
- Adventist Health

Completed DOD Buy-Side Pilot:
- BD
- Braun

DoD/GDSN Pilot:

GPO’s Endorse GS1 Healthcare Data Standards:
- Supplier Letter
- Press Release
- December 2010:
  - GLN Deadline
- December 2012:
  - GTIN Deadline
Healthcare Standards in the US - History

- **Premier Begins GDSN Implementation Through 1SYNC**
- **GPO’s Contract Language Modified to Include GLN & GTIN**.
- **Premier Begins Hosting Supplier Training Webinars**
- **Completed QA of GDSN Sync in Pre-Production**
- **GLN Enumeration Project Completed**

**Timeline**

- **Aug 2008**
  - Supplier Training
  - GS1 Data Standards presented to all new contracted Suppliers

- **Oct 2008**
  - One-on-One Supplier Training

- **Nov 2008**
  - GLN Enumeration Project Completed

- **Dec 2008**
  - Premier’s Strategic Advisory Committee Endorses GS1 Healthcare Data Standards:
    - Letter Publicized
    - 25 Owners > 50% Spend

- **Mar 2009**

- **June 2009**

- **July 2009**
Healthcare Standards in the US - History

Provider
Transactions using the Global Location Number

Aug 2009

Wave 2 Participants Transacting GLNs in Purchase Orders

Dec 2009

Published Lessons Learned Document from Wave 1 of GLN Transaction Program

Feb 2010

Waves 3 & 4 of GLN Transaction Program are Launched

Mar 2010

Wave 2 of GLN Transaction Program is Launched

Apr 2010

100 Suppliers Synchronized Through GDSN

June 2010

GLN SUNRISE

Dec 2010

University of Arkansas: "The State of Healthcare Logistics"

Jan 2011

Published Lessons Learned Document from Wave 2 of GLN Transaction Program

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The Perfect Order and Beyond

Findings:

- **A 30% reduction in days payable outstanding** resulted in additional early pay discounts from faster payments that require less manual intervention.

- **73% reduction in discrepancies**, including a complete elimination of vendor part number and unit of measure (UOM) discrepancies by supplanting part number and UOMs with GTINs on purchase orders.

- **Improved sourcing of products** by use of a single scan of a barcode to determine the right product and product UOM to reorder.

- **Less calls to customer service** in the sourcing process.

- **Fewer stock outs** due to the inherent simplicity offered to nursing staff for scanning barcodes at the bedside.

- **Better charge compliance** resulting from scanning as a surrogate to traditional practices.
Healthcare Standards in the US - Now

Health Information Technology for Economic and Clinical Health (HITECH) Act – Automating the Health Information

Secretary Sebelius: Health IT helped ensure patients get better care

The Columbia Basin Health Association (CBHA) was one of the first community health centers in the United States to fully transition to an electronic health record (EHR) system from paper-based charts. Since implementation, CBHA has consistently ranked above the 95th percentile nationally in total medical and dental team productivity, as reported in the Bureau of Primary Health Care Uniform Data System. "A Success Story In American Health Care" released by HHS Secretary Kathleen Sebelius, 10/1/09

Press Release: [Read what Secretary Sebelius says about the new report.]

Report: [Read how the Columbia Basin Health Association has used health information technology to improve the efficiency and quality of care for Americans living in rural communities.]

Why Health IT?

Health information technology (health IT) allows comprehensive management of medical information and its secure exchange between health care consumers and providers. Broad use of HIT has the potential to improve health care quality, prevent medical errors, increase the efficiency of care provision and reduce unnecessary health care costs, increase administrative efficiencies, decrease paperwork, expand access to affordable care, and improve population health.

Improving Patient Care

Interoperable health IT can improve individual patient care in numerous ways, including:

- Complete, accurate, and searchable health information, available at the point of diagnosis and care, allowing for more informed decision making to enhance the quality and reliability of health care delivery.
- More efficient and convenient delivery of care, without having to wait for the exchange of records or paperwork and without requiring unnecessary or repetitive tests or procedures.
- Earlier diagnosis and characterization of disease, with the potential to thereby improve outcomes and reduce costs.
- Reductions in adverse events through an improved understanding of each patient’s particular medical history, potential for drug-drug interactions, or (eventually) enhanced...
36% of the world’s population owns a smartphone (Nielsen, 2011)

50% of all retail sales are web-influenced (Forrester, 2011)

80% of consumers use social networks to research new products (IBM, 2012)
Healthcare Standards in the US - Now
Consumer Demand...The Attribute Explosion! (Core)
Healthcare Standards in the US - Now
Consumer Demand...The Attribute Explosion! *(Core, GDS)*
Healthcare Standards in the US - Now
Consumer Demand…The Attribute Explosion! (Core, GDS, Retail)
Healthcare Standards in the US - Now
Consumer Demand…The Attribute Explosion! (Core, GDS, Retail, Foodservice)
Healthcare Standards in the US - Now Consumer Demand...The Attribute Explosion! (Core, GDS, Retail, Foodservice, Consumer)
Healthcare Standards in the US - Now Dependable
Product Information Business to Consumer

EXISTING UNIVERSE
B2B DATA
Brand Owned Master Product Data

EMERGING UNIVERSE
B2C DATA
Brand Owned Sales & Marketing Product Data
GDSN+

Existing Trading Partners

New Trading Communities
Topics

- The Premier healthcare alliance.
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What is needed to realize benefits? Collaboration / Unity

Healthcare Supply Chain

Product

Manufacturing  Distributing  Provider

Cash and Information

PATIENT

Efficient Supply Chain

Product Flow

Production  Distribution  Consumption

Manufacturer  Distributor  Provider

Information and Cash Flow

PATIENT
Healthcare Standards in the US - Collaboration

Manufacturer's
- BD
- KCI
- GOJO
- COOK
- Baxter
- Kimberly-Clark
- 3M
- Medline
- Cardinal Health

Payer's
- Cardinal Health
- Owens & Minor
- Suture Express
- ONTUE

On Boarding
- ONTUE

Data Pool's
- GDSN Global Registry
- GS1

GPO's
- Premier
- Amerinet
- Novation

Provider's
- MayoClinic.com
- University Health Care System
- Promedica Health System
- Norton Healthcare
- Boston Medical Center
- Scottsdale Healthcare
- Novant Health
- Geisinger
- Geisinger
- Caduceus Systems
- McKesson

MMIS
- Lawson
What is needed to realize benefits?  Collaboration / Unity

Barriers to reaching acceptable level of collaboration among supply chain organizations

Sample size = 1267; Source: 2009, Nachtmann and Pohl

- 72% indicate lack of standards
- 50% indicate lack of trust
What is needed to realize benefits? Collaboration / Unity
What is needed to realize benefits? UDI Implementation – Technology / Business Processes

Organizational Commitment
Supply Chain Partner Commitment
Technology Changes *(The Easy Part)*

Business Process Changes *(Essential)*

- Item Master Management
- Patient / Device scanning in the OR and Cath Lab
- Inclusion in EHR and Order Entry systems
- Systems integration
- Recall management processes
- Consistent deployment across an IDN
- Etc.
What is Needed?
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