



Press release

29th October, 2012

GS1 offers a global cure for Healthcare

BRUSSELS, Belgium, 26th October, 2012 – 250 healthcare leaders from manufacturers, distributors, hospitals, associations, universities and regulatory bodies gathered at the 22nd Global GS1 Healthcare conference in Portugal from 23rd to 25th October, to discuss the latest developments in supply chain optimisation, affecting patient safety and supply chain efficiency.

The conference was organized by GS1®, a not-for-profit organisation that designs and manages a global system of standards and solutions to improve the efficiency and visibility of supply chains across industries.

A number of key topics in the Healthcare industry were addressed, such as the recent US FDA's and EU Commissions proposed regulation on a Unique Device Identification (UDI) System and the activities of the European Commission and other European stakeholders with regards to the Falsified Medicines Directive. Remarkable cases of GS1 Standards implementations by manufacturers, distributors and hospitals were also shared.

The Healthcare Provider Advisory Council (HPAC) – consisting of thought leaders from a broad clinical provider environment – launched a call to action for solution providers to address interoperability issues taking place in hospitals. This remains one of the major and recurring challenges for healthcare providers, slowing down the implementation of GS1 Standards and its impact on the reduction of medical errors and supply chain efficiency.

During the conference, McKinsey & Company released a report highlighting the cost savings and patient safety **benefits of adopting a single global supply chain standard in Healthcare**. McKinsey interviewed more than 80 Healthcare leaders across the world and examined more than 25 cases of standards-enabled improvement.

This report, called: "*Strength in unity: The promise of global standards in healthcare*" is the first of its kind to quantify the benefits of a single global standard for Healthcare supply chains.

Report findings:

- The research has revealed "**that implementing global standards across the entire healthcare supply chain could save 22-43,000 lives and avert 0.7 to 1.4 million patient disabilities.**"
- Addressing counterfeit drugs, a major and ever growing problem for public health and industry, the report concludes that "**rolling-out standards based systems could prevent tens of billions of dollars' worth of counterfeit drugs from entering the legitimate supply chain**".
- At the same time, it states that "**global standards could enable substantial safety benefits and enable healthcare cost reduction of \$40-100 billion**". Once adopted, global standards benefits will span over all the supply chain stakeholders from manufacturers to patients.
- "The healthcare industry faces a potentially costly patchwork of requirements. Over the long term this patchwork could become unworkable. **The adoption of a single set of global standards will cost significantly less than two and far less than three or more**".



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- The report concludes that the potential benefits enabled by global standards in Healthcare supply chains "could be significantly larger than anticipated, as proven by the lessons learned from the CPG/retail industry, when GS1 standards were widely adopted". End-to-end supply chain visibility could create new opportunities in mobile health, improve treatment compliance, avoid of drug interactions and more.

With more than 30 active local GS1 Healthcare User Groups, GS1 Healthcare has progressed significantly in its mission to improve patient safety worldwide. Dr Ajit Shetty, former Vice President, Enterprise Supply Chain Johnson & Johnson, said: "All patients owe GS1 a word of gratitude for a truly integrated, standardised and global approach to the supply chain of healthcare products".

Kenneth C. Frazier, Chairman of the Board, President and CEO, Merck & Co., Inc. further stated: "We believe the adoption of global standards will transform our ability to deliver value in ways that leverage the interdependencies of technology, information, products and services, health education and people in innovative ways that optimise the way healthcare is delivered globally. Only then will we ensure that every patient we serve will have the confidence in our medicines and treatments that they deserve. The time to begin this transformation is now."

The next Global GS1 Healthcare conference will be held in Buenos Aires, Argentina 23rd to 25th April 2013.

For Further Information:

GS1 contact

To contact your local GS1 Office, please go to: <http://www.gs1.org/healthcare/about/contact>

About GS1 Healthcare

GS1 Healthcare is a global, voluntary user community bringing together all Healthcare supply chain stakeholders, including manufacturers, distributors, Healthcare providers, solution providers, regulatory bodies and industry associations. The mission of GS1 Healthcare is to lead the Healthcare sector to the successful development and implementation of global standards by bringing together experts in Healthcare to enhance patient safety and supply chain efficiencies. GS1 Healthcare members include over 60 leading Healthcare organisations worldwide. For more information about GS1 Healthcare, and to view the report, please visit www.gs1.org/healthcare