

MCKESSON

Empowering Healthcare

McKesson's Vision for Traceability Using GS1 Standards

March, 2012

McKesson's Principles for Traceability

- **Improve patient safety**
- **Promote efficient interstate commerce by preempting varying state pedigree laws**
- **Employ the most effective technologies to reduce counterfeiting and diversion of prescription medicine;**
- **Enable each participant in the supply chain access to electronic inventory data at the unit level.**
- **Enable efficient nationwide inventory management and rapid response in times of emergency.**

McKesson's Traceability Framework

- **Electronic system that enables the tracing of each prescription medicine package at the unit level.**
 - All members of the supply chain must participate in a closed system.
 - Serialization of prescription medicine at the unit, case and pallet levels
 - A robust and standardized data exchange system
- **The goal is to protect the supply chain against counterfeit, adulterated or other substandard product by facilitating improved ability to identify non-legitimate products.**

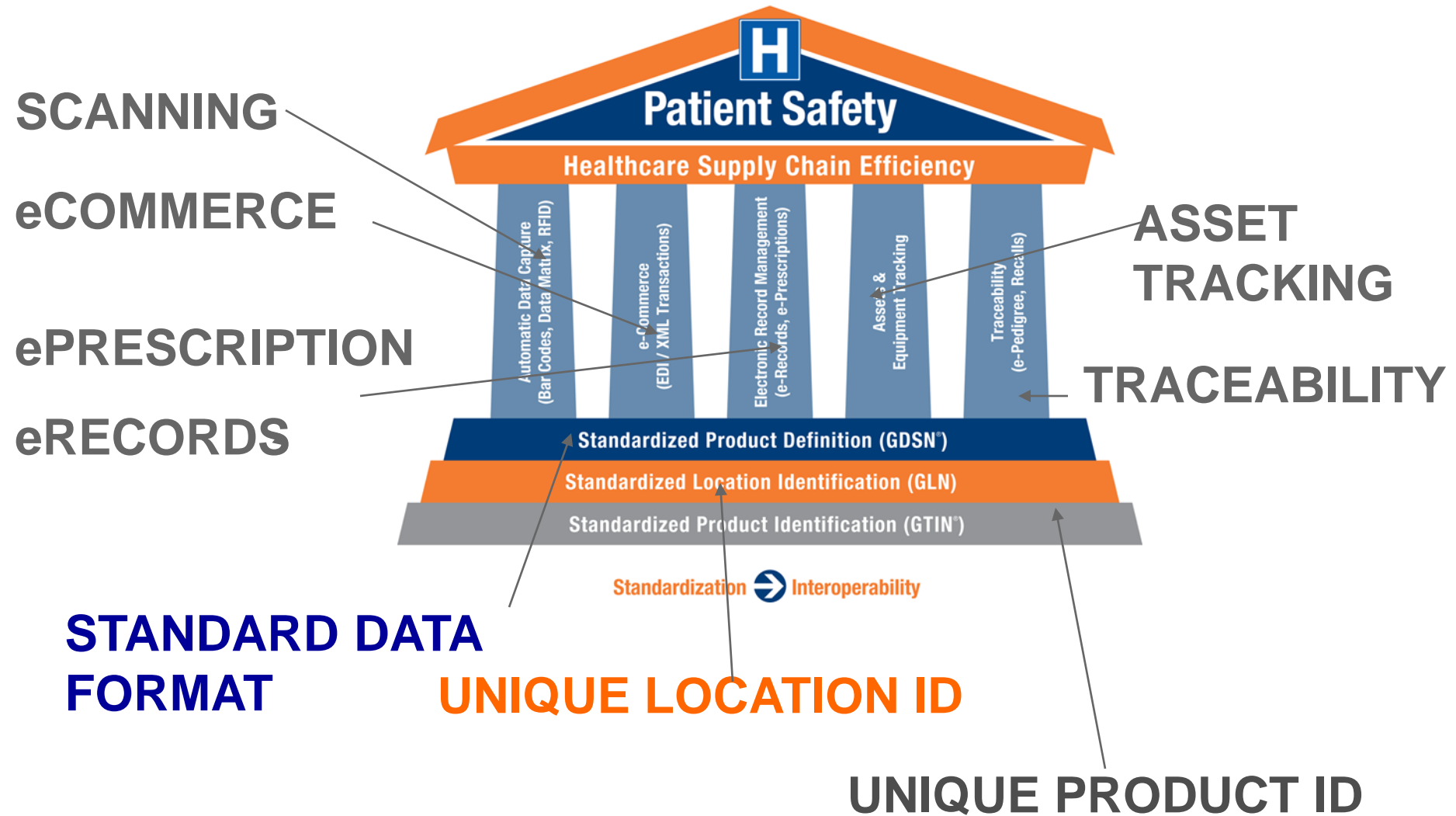
McKesson embraces GS1 as the path to achieve traceability

- **GS1 has the US National Drug Code (NDC) embedded in the GTIN.**
- **GS1 standard supports the use of the FDA SNI (Serial Number Identifier).**
- **In the pharmaceutical space GS1 has a long history of working with all segments of the supply chain.**
- **GS1 US has a very active traceability user group working on pilots**
- **Every member of the supply chain will have visibility of expiry dates of all products which should significantly lower returns**

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Building Patient Safety



State of California ePedigree has provided a model

- Phase-In approach with staggered implementation dates across the supply chain
 - January 1, 2015 Manufacturers (generic and branded) must serialize and pedigree 50% of their drugs
 - January 1, 2016 Manufacturers (generic and branded) must serialize and pedigree the final 50% of their drugs
 - July 1, 2016 Wholesalers may not acquire, sell, trade or transfer pharmaceutical drugs without a pedigree
 - July 1, 2017 Pharmacies may not acquire, sell, trade or transfer pharmaceutical drugs without a pedigree
- Industry grappling with two significant challenges that are essential for unit level tracing if 2D barcodes are the carrier of choice:
 - **Inference** (allowing the reading of a case serial number and infer the contents of the case)
 - **Aggregation** of unit to case (data association of serialized items to the case serialized number)



South Australian Health

Traceability as the foundation to fight counterfeiting and improve efficiencies

Paul Broadbridge
Acting Chief Procurement Officer, SA Health
Global GS1 Healthcare Conference
Sydney, 20-22 March 2012



**Government
of South Australia**

SA Health



The opportunity to improve efficiencies...

- > 7 legacy applications
- > 24 legacy system installations/configurations
- > 450+ physical sites
- > 30 major sites holding inventory
- > 1320+ hospital imprests
- > 400,000+ catalogue items to cleanse/consolidate
- > 50,000 final catalogue items
- > 4,000+ agreements



Where GS1 standards apply...

- > Within our distribution centre and warehouses:
 - Product identification and hierarchy
 - A common language (pack, carton, logistics unit)
 - Product tracking (barcode scanning, RFID)
 - Streamlining processes through the use of Advanced Shipping Notices (ASN)



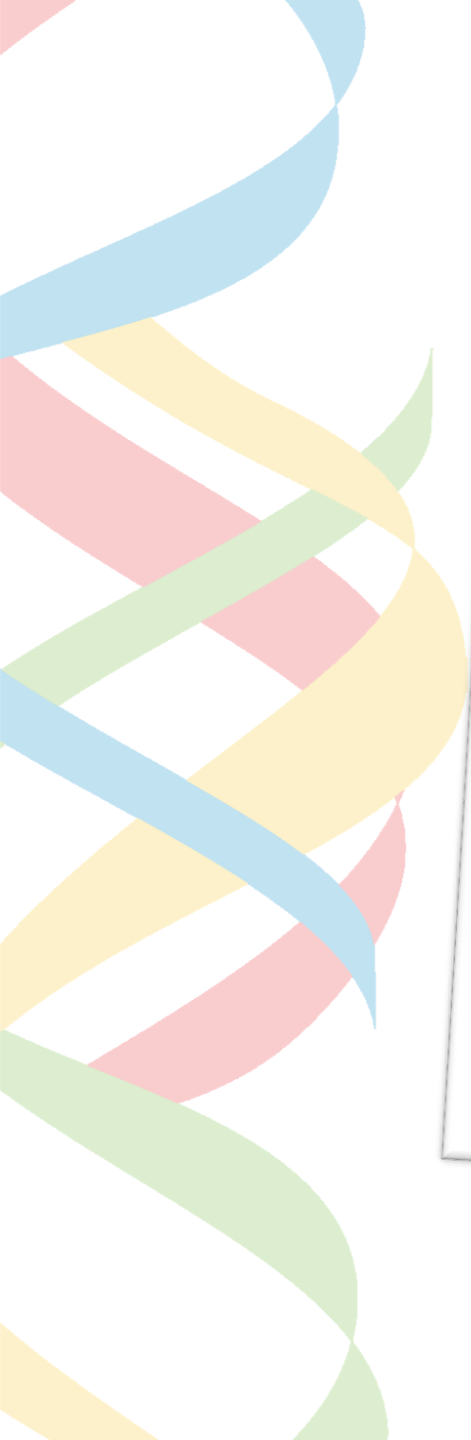
Where GS1 standards apply...

- > Within our procurement and contracting processes:
 - Standardised data collection and synchronisation leads to greater security around product and pricing information, faster exchange and acceptance of changes
 - Use of GS1xml messaging for purchase orders, invoices etc reduces paper based transactions and therefore errors and cost
- > *This all leads to improved visibility, management and traceability of our products and associated data*



The path forward...

- > Within South Australia Health, we are integrating GS1 standards into the systems we implement and the processes we establish
- > A stepped approach, starting with the collection and storage of the right data to enable traceability to occur
- > We have had to change the way we think, and consider how what we do impacts industry, both nationally and globally
- > Collaborating with partners across industries to exchange ideas and develop solutions to problems is key



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