It's All About the Data!

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Singapore Healthcare Supply Chain Management Congress 2013

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Clinical Excellence is Our Top Goal

Six 5-Star Medicare Health Plans

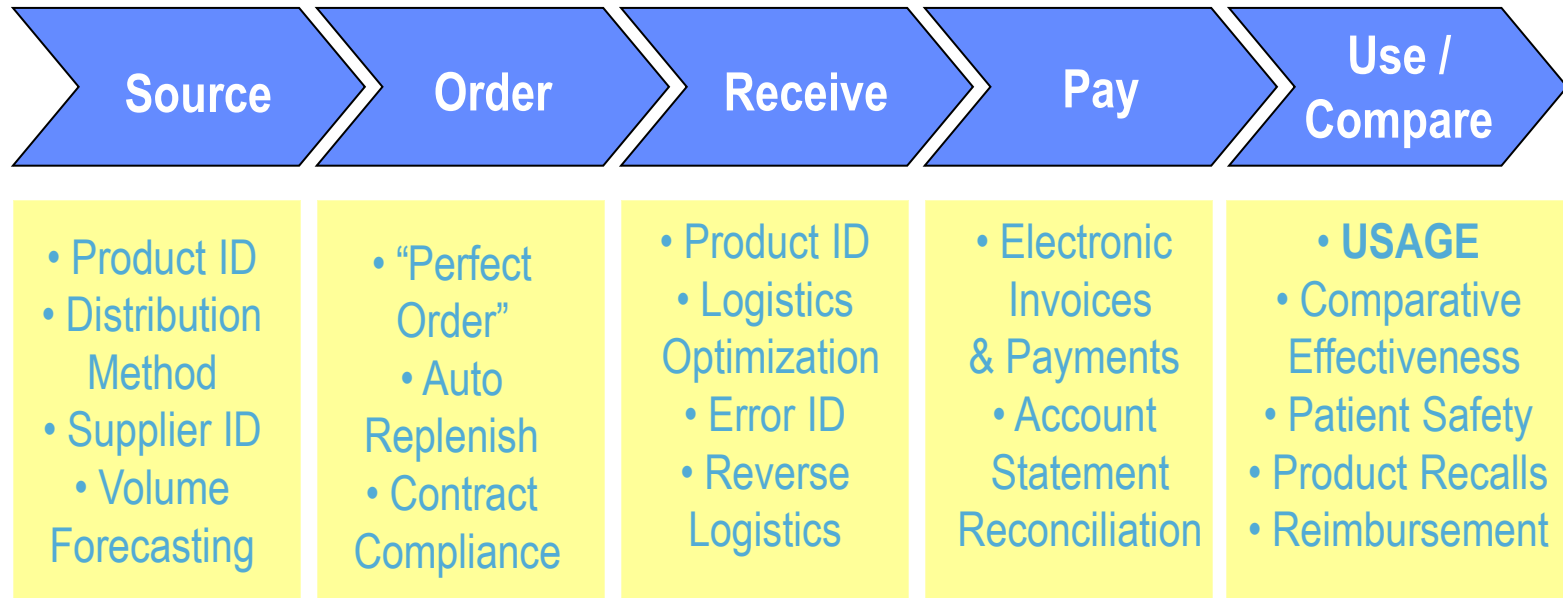Medicare.gov
★★★★★

18 Hospitals Named "Top Hospitals of 2011"

THE LEAPFROG GROUP

HOSPITAL SAFETY SCORE

NCQA — HEALTH INSURANCE PLAN RANKINGS 2012-13 MEDICARE PLAN

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"Supply" Chain Vision
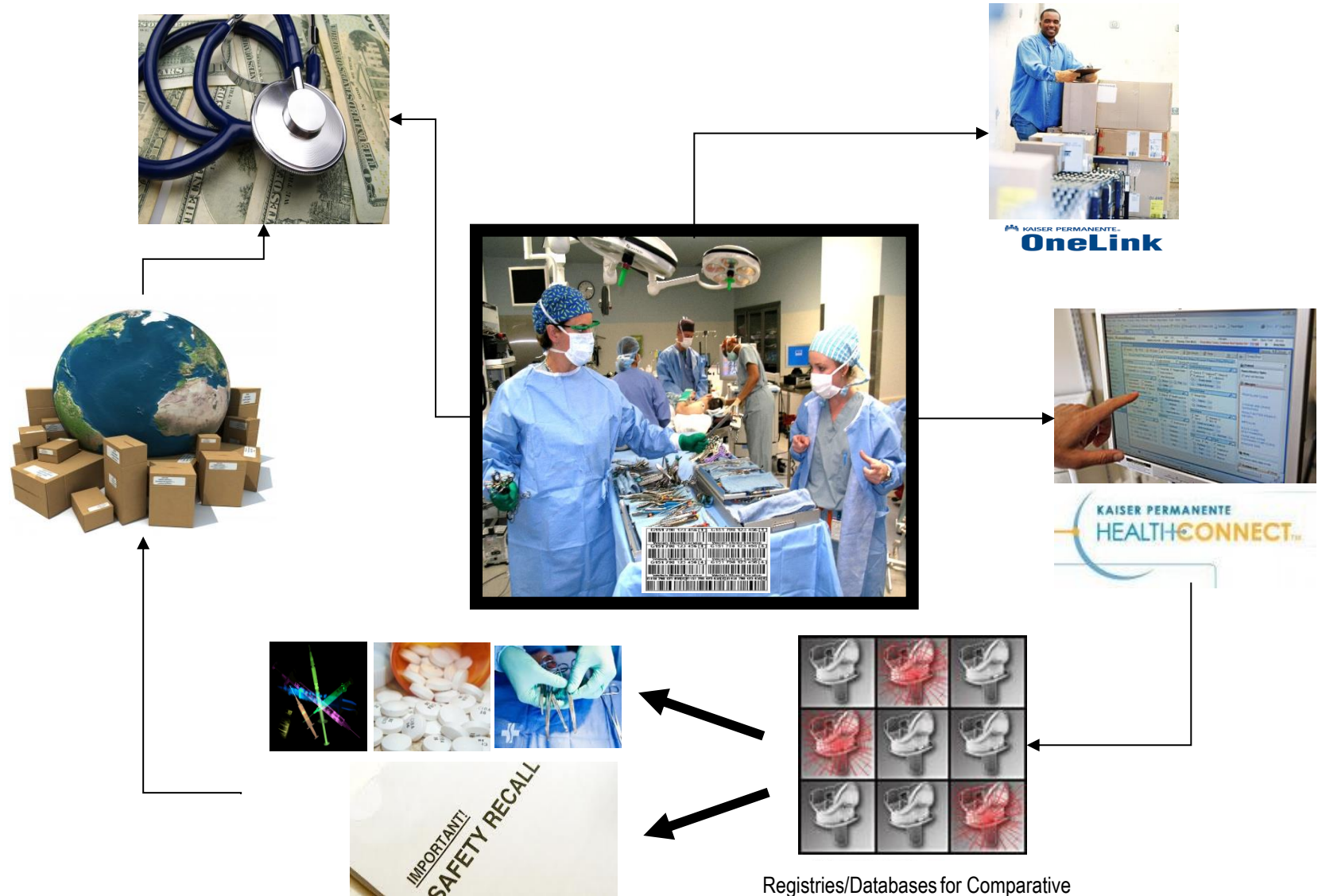
Registries/Databases for Comparative
Effectiveness & Surveillance

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Data Standards Make the Health World Go Round

Source	Order	Receive	Pay	Use / Compare
• Product ID • Distribution Method • Supplier ID • Volume Forecasting	• "Perfect Order" • Auto Replenish • Contract Compliance	• Product ID • Logistics Optimization • Error ID • Reverse Logistics	• Electronic Invoices & Payments • Account Statement Reconciliation	• **USAGE** • Comparative Effectiveness • Patient Safety • Product Recalls • Reimbursement

The application of the GS1 standards will be used in all areas in the Source to Use model…

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Getting At Actual Usage at Point of Care is Key

| Use / Compare | Source | Order | Receive | Pay |

- ➢ PROCEDURE card standardization starts with standard product identification
- ➢ Capturing usage at the point of care greatly enabled by standard barcodes with standard data
- ➢ Patient safety greatly improved by ensuring only "good" product is being used
- ➢ Patients assured of what products have been used on them
- ➢ Integrating supply chain information with clinical information allows tremendous insight into total value and quality of products used
- ➢ Charge capture integrity improves ensuring financial reimbursement

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Sourcing Moves From Price to Outcomes-Impacted

| Source | Order | Receive | Pay | Use / Compare |
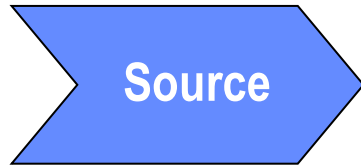
➢ Strategic Sourcing starts with data transparency into actual product utilization

➢ Common data standards will provide clarity to what is used, from whom and how much allowing providers to intelligently analyze and predict future use.

➢ Product selection moves from lowest price to optimal product for the procedure based on outcomes

➢ Suppliers benefit by insight into customer usage and forecasts to better integrate/optimize supply chains up and down the chain

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Ordering Becomes As Automatic As It Gets

Order → **Receive** → **Pay** → **Use / Compare** → **Source**
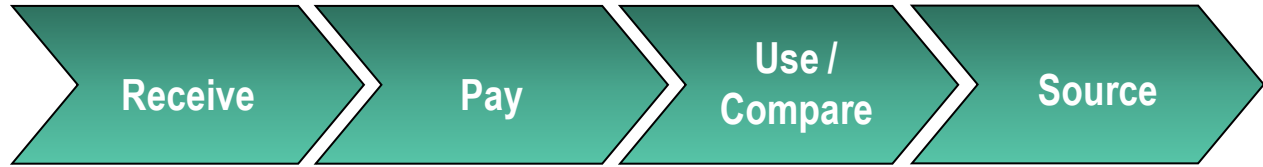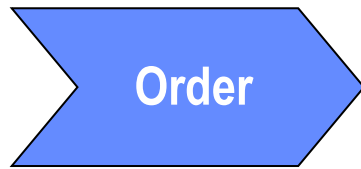

- Standards accelerate order processing speed across the supply chain

- Order processed to correct supplier entity

- Correct product at the correct time at the correct location

- Automatic replenishments drive assurance of contract compliance

- Automatic replenishments drive efficiencies and optimizes staffing requirements

- Payments to suppliers made more timely

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Receiving "Drives" Right Product from Right Channel

| Receive | Pay | Use / Compare | Source | Order |

- ➢ Standards efficiently ensure correct product received by utilizing GTIN and barcodes

- ➢ Accurate receiving speeds the payment process

- ➢ Shipping errors quickly identified BEFORE the product enters the supply chain

- ➢ Shipment/product tracking throughout the external and internal supply chain speeds up everything

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"Pay" Happens In An Instant

Pay → Use / Compare → Source → Order → Receive
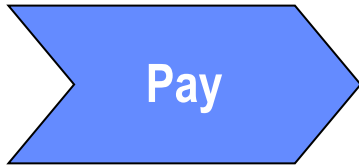
➢ Payment processing becomes touch-less practically, minimizing resource requirements and potential errors

➢ Increased ability to take advantage of early payment discounts

➢ Possibility to eliminate the invoice altogether through Evaluated Receipts Settlement (ERS)

➢ Financial statements accuracy ensured as time from procure to pay is significantly reduced

➢ Suppliers get paid sooner

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Barriers to Standardization – Suppliers

- ➤ **Provider Recognition of Value**
  - ✓ Not Hearing From Enough Providers

- ➤ **Conflicting Priorities**
  - ✓ Senior Leadership Understanding/Awareness

- ➤ **Perceived Complexities**
  - ✓ Internal Systems, Packaging Lines, etc
  - ✓ GTINs, GLNs, GDSN, etc etc etc
  - ✓ Global Manufacturers → Local Customers

- ➤ **System Solution Providers Support**
  - ✓ ERP, Point of Use, EHR

- ➤ **Cost to Implement**

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Barriers to Standardization – Healthcare Providers

➢ **Senior Leadership Understanding**
  - ✓ Education on "What it is" and "Why Important"
  - ✓ Formal Adoption is Critical

➢ **Pushback from Suppliers**
  - ✓ Already Invested in Other Standards
  - ✓ Waiting to See What Global Standard Emerges
  - ✓ Not a Priority – Not Understood

➢ **Change Transition Can Be Complicated**
  - ✓ Internal Systems, Readers/Scanners, etc

➢ **Perceived Cost**
  - ✓ Cost of Not Implementing?

Healthcare Transformation Group (HTG)

Supply Chain Coalition

- Geisinger Health System   - >$60B Revenue
- Intermountain Healthcare   - 14M Members
- Kaiser Permanente   - 330,000 Employees
- Mayo Clinic   - 110 Hospitals
- Mercy Health

www.healthcaretransformationgroup.com

Latest News
HTG to Host 2nd Annual HTG Summit in St. Louis, Missouri. The event will include HTG's top 20 suppliers, software providers and supply chain executives from each provider organization. >> Learn More

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Healthcare Transformation Group (HTG)

➤ **Collectively accelerate supply chain change across the industry**

- ✓ Significantly Improve Patient Safety & Quality
- ✓ Dramatically Reduce Cost of Healthcare in Conjunction with Clinical Partners
- ✓ Promote Adoption of HTG Initiatives Throughout the Industry

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HTG – Current Initiatives

- ➢ **Drive the adoption of GS1 Standards with Suppliers and Across Industry**
  - ✓ Annual HTG Supplier Summits
  - ✓ GS1 Standards in RFP Requirements
  - ✓ HTG Scorecard Created & Tracked

- ➢ **Working with US FDA on Unique Device Identification (UDI) Regulation**

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HTG – What's Next

- ➢ GS1 Standards Compliance Becomes Non-Issue and Non-Negotiable with Suppliers

- ➢ New Initiatives Being Launched
  - ✓ Global Product Item Master
  - ✓ Automated Product Identification
  - ✓ Global Information Exchange

- ➢ 2014 HTG Summit to be at Kaiser Permanente
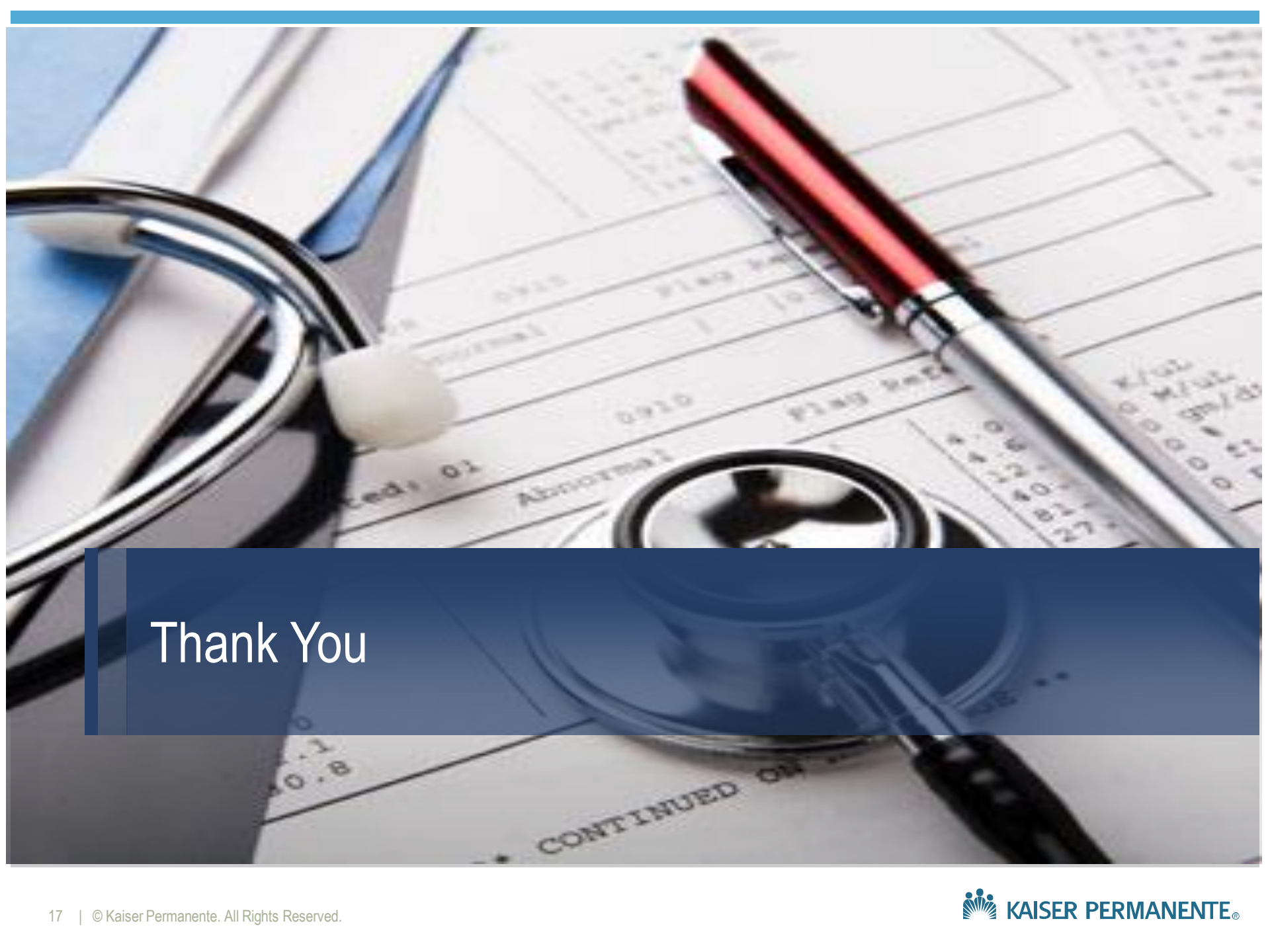
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What Can You Do?
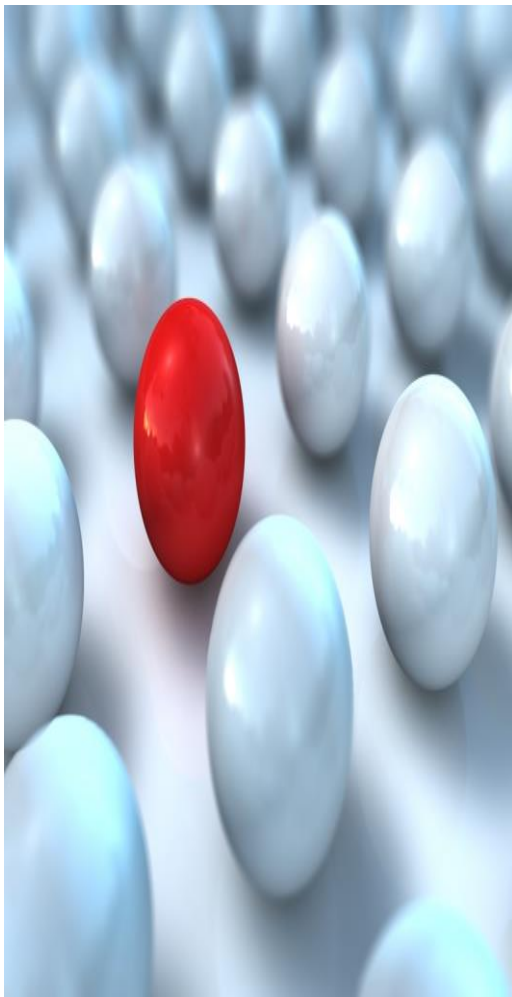
- ➤ Drive the Adoption of GS1 Standards Within Your Organization
  - ✓ Educate Yourself
  - ✓ Educate Your Organization/Clinicians
  - ✓ Join GS1 as a Member

- ➤ Demand Your Suppliers and Partners Adopt and Use the Standards
  - ✓ Require Adoption & Usage in Your RFPs and Contract Negotiations
  - ✓ Don't Worry About Perfection for Every Item or Situation
  - ✓ Use "Carrots" and "Sticks"

- ➤ Start Small But Think Big

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Thank You

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