

11 October 2011

Streamlining the
Supply Chain

The Australian eHealth Supply Chain Reform Programme - From Implementation to Innovation with Inspiration

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Transforming the way Australia's health sector
does business.

20th Global GS1 Healthcare
Conference

4 October 2011, Amsterdam

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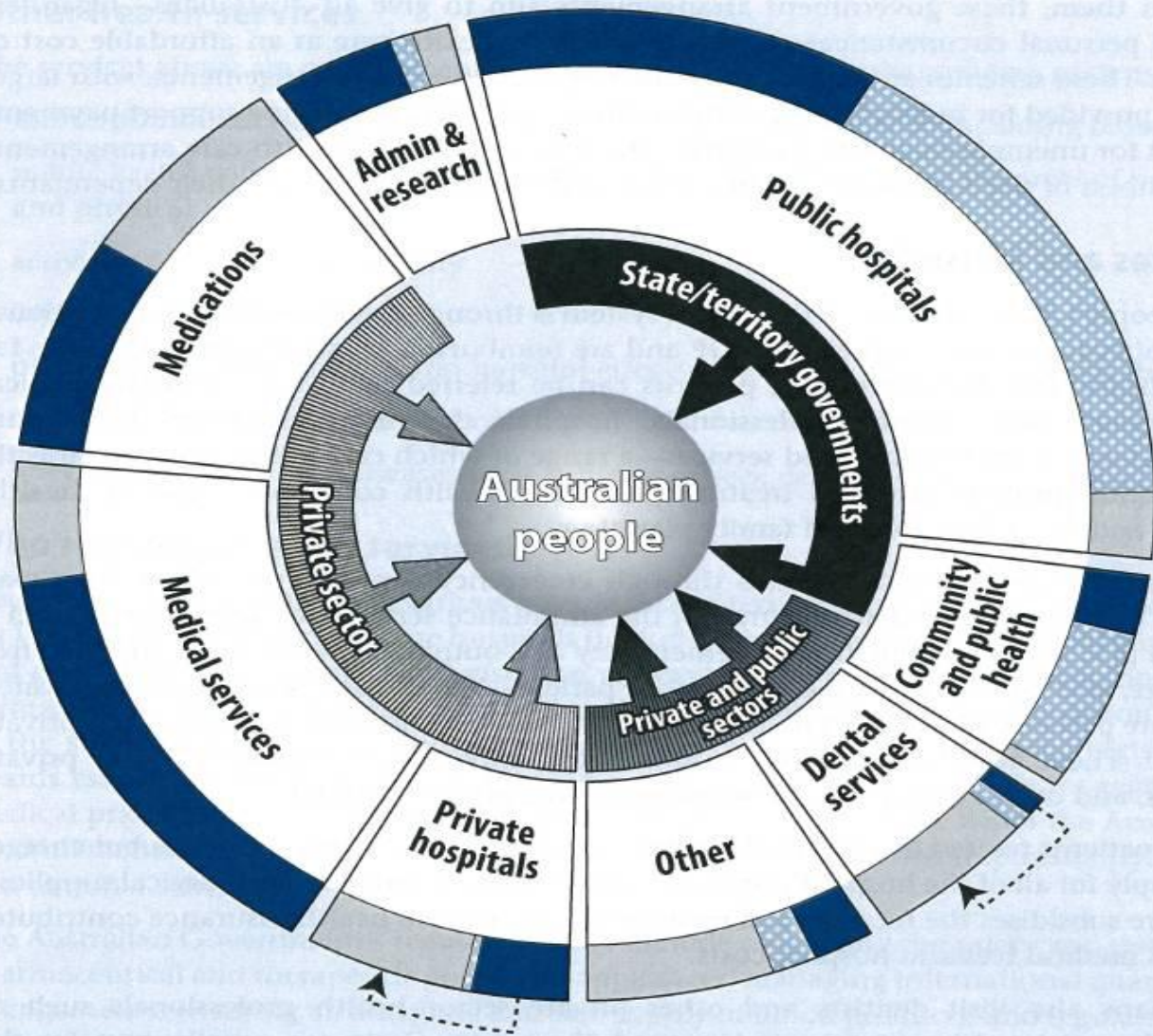
1. Australian Healthcare and NEHTA – The Who
2. Supply Chain Reform – The Why
3. National Product Catalogue – The What
4. eProcurement Solution – The How

Australia at a Glance

- **22.6 million people** currently live in Australia
- **Life expectancy continues to increase**, so an Australian male born today can expect to live to 79.2 years and a female to 83.7 years
- **Australians aged 80 years or over** is about 800,000 (3.7% of the total population); nearly 2/3 are female
- **64% of people live in capital cities**, numbering 14 million in June 2009
- **Expenditure on health was 9.1% of GDP** in 2007–08, amounting to over \$103 billion or \$4,874 per person (just \$10 billion in 1980) AUD\$130 billion in 2010-11 (9.8% GDP)
- 70% is publically funded & 30% privately funded
- 8 State & Territory Governments (State Health Departments) and Federal Department of Health and Ageing



STATE	2009
ACT	354,900
NSW	7,191,500
NT	227,700
QLD	4,473,000
SA	1,633,900
TAS	505,400
VIC	5,496,400
WA	2,270,300
Total	22+M



Funding source

- Australian Government
- State/territory and local governments
- Private or out-of-pocket payments
- Indirect funding by subsidies or rebates

Responsibility for services

- Public sector—state/territory governments
- Private sector
- Combined private sector/
state/territory/local governments/
Australian Government

Figure 1.3: Health services—funding and responsibility

NEHTA's Purpose: Establishing the Foundations for e-Health



Lead the uptake of e-health systems of national significance; and coordinate the progression and accelerate the adoption of e-health by delivering urgently needed integration infrastructure and standards for health information.

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NEHTA's Structure

The National E-Health Transition Authority (NEHTA) is a company established by the Australian, State and Territory governments in 2005 to develop better ways of electronically collecting and securely exchanging health information.

Independent company – state and federally government funded, including:

- Board of Directors (CEOs of Health Jurisdictions, an Independent Director and an Independent Chair)
- Board Committees
- The Chief Executive Officer
- The Company Secretary
- The NEHTA Organisation

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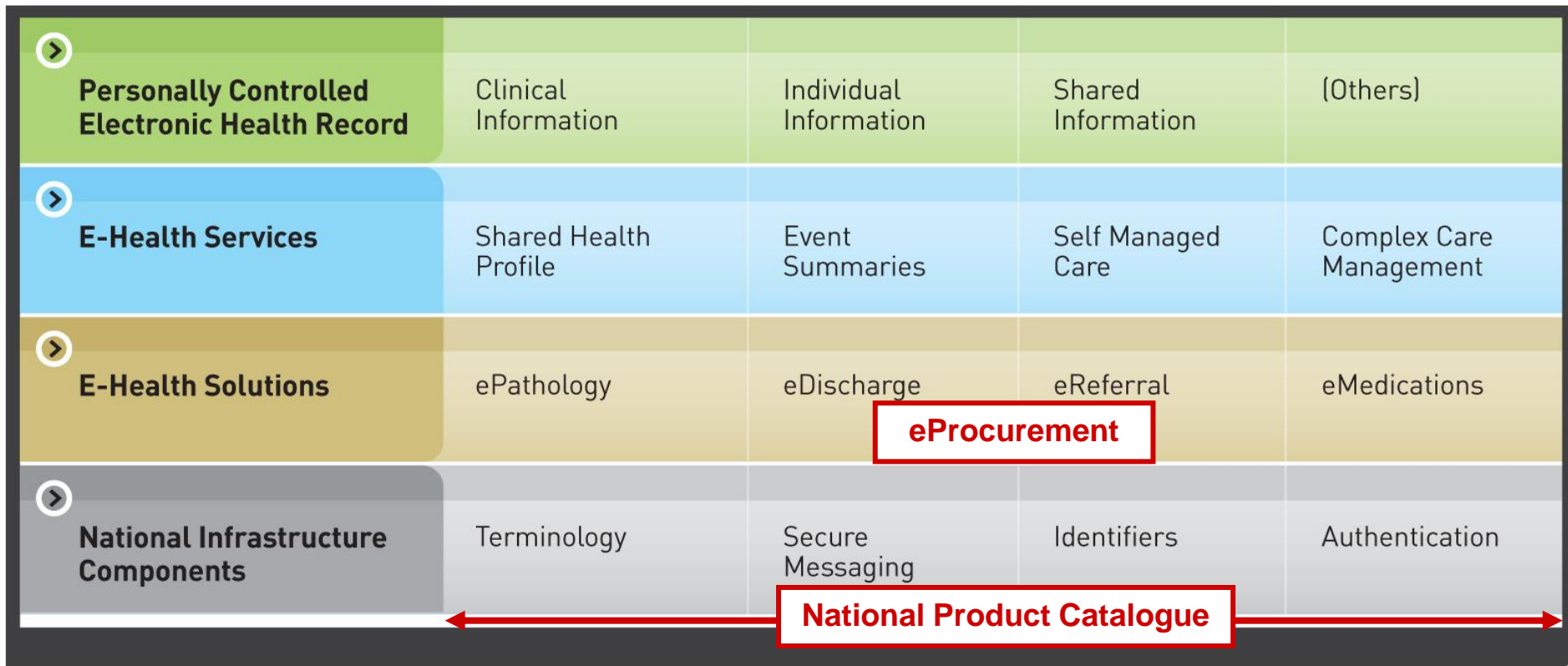
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The nehta Supply Chain Work Program



Supply Chain Reform can address:

- Lack of standardised product identification
- Lack of standardised location identification
- Multiple product data catalogues being maintained per hospital, per hospital network and per state
- Poor supply chain costs the health system money:
 - **Wrong product** ordered/delivered
 - Wrong quantity/**poor forecasting** and inventory management
 - Reduction of **redundant** purchasing tasks, **inefficient** work practices and greater **accuracy** through automation

Information is the enemy of disease

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



Accurate Identification is Critical

eHealth is about:

- ✓ the right information,
- ✓ at the right place,
- ✓ at the right time,
- ✓ for the right person.

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The Solution: National Product Catalogue

- The National Product Catalogue (NPC) is a GDSN compliant data pool containing healthcare procurement data (item and price) + clinical data (regulatory numbers, GMDN, poisons schedule)
- Is a way of suppliers providing standardised and accurate product and price data electronically to the Australian health departments and private hospital providers (one to many)
- The NPC enables synchronisation of product and pricing data for accuracy in electronic procurement

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Right Patient



Right Drug



Right Time

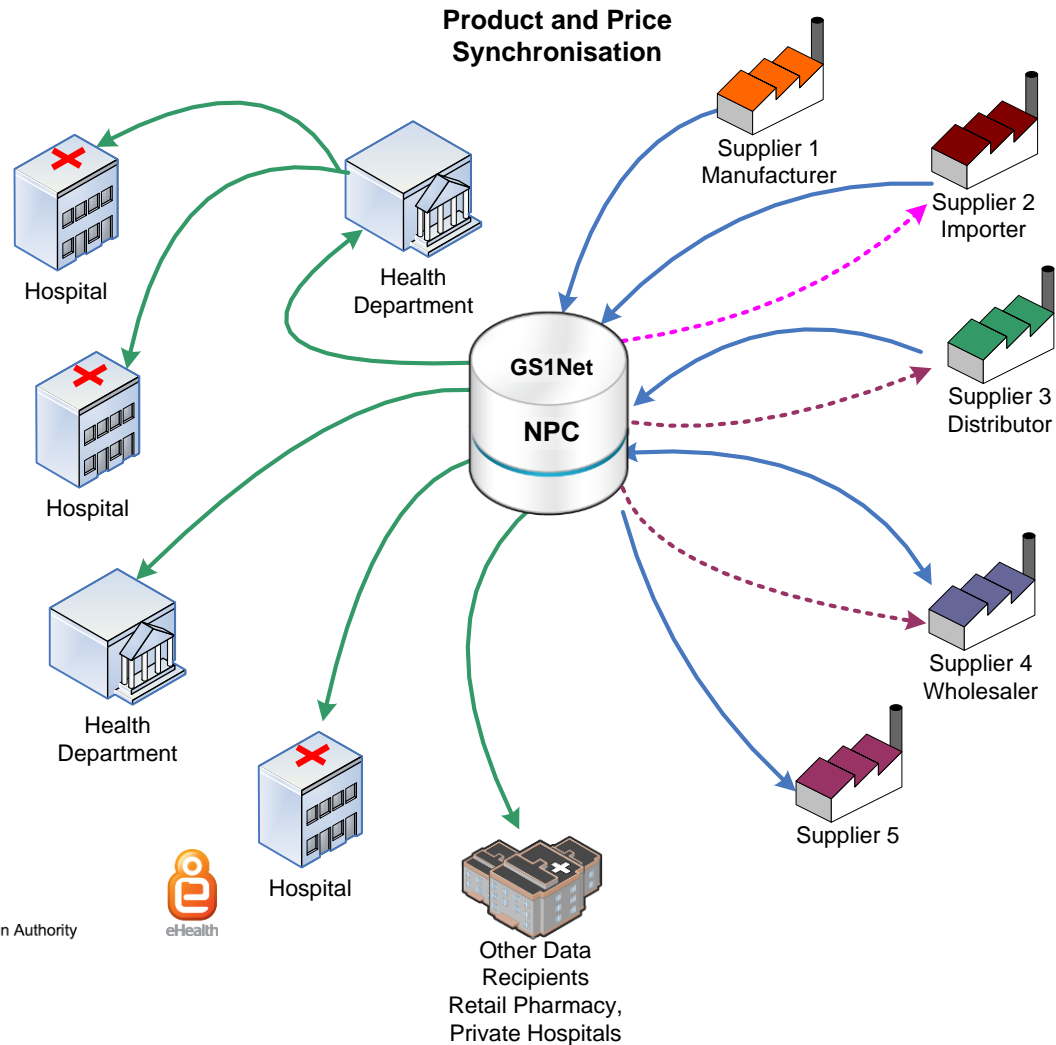


Right Route



Right Dose

The NPC – Data Synchronisation



NPC Progress

National Product Catalogue

- **210,000+** items, **360+** suppliers
- All **jurisdictions** accessing data
- Clean, standardised data in all systems
- All major **wholesalers** signed up
- Most large **pharma** companies have populated
- Large **medical devices** companies either populated or getting data organised

Private Sector

- Private Hospitals
- Community Pharmacies / pharmacy software providers
- Accurate reference of Prosthesis Rebate Code for billing benefits



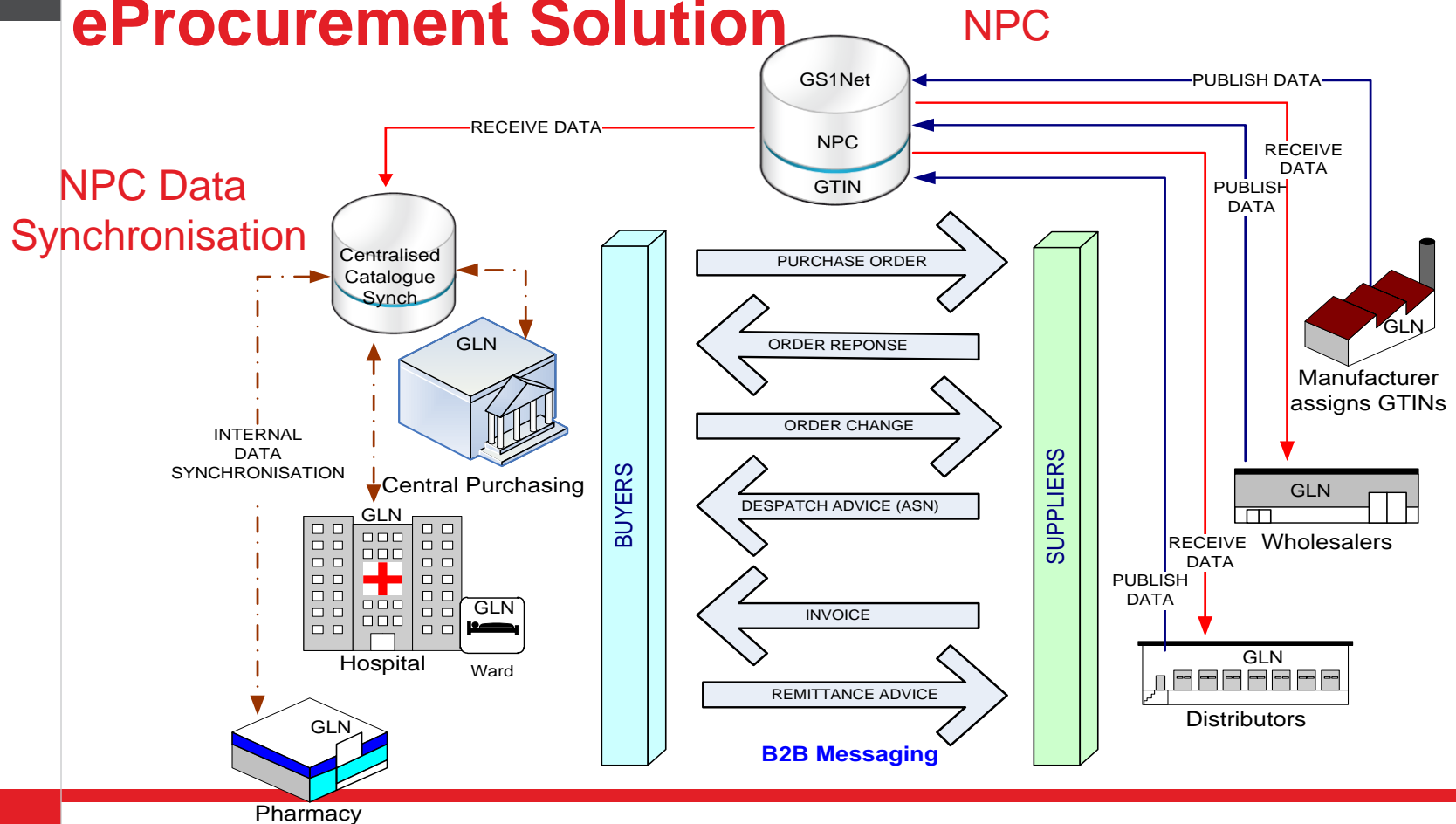
Clinical Outcomes Focus

- Clinical Terminologies – Australian Medicines Terminology (AMT)
- Product tracking and recall
- Bedside scanning (incl. batch, exp., serialisation, etc) => patient record
- TGA approval of pharmaceuticals





eProcurement Solution



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eProcurement

NPC – Public Health Organisation Usage

- VIC – understanding use patterns; not having to ask suppliers what the State has bought from them
- NSW – data maintenance work effort/invoices on hold and delayed payment time (> 90 days and no discount)
- WA – want to get to eProcurement (too much paper); can't do this without accurate data
- SA – warehousing and dimensions; process change for overall supply chain reform
- TAS/ACT/QLD – data maintenance work effort and data accuracy; scan the bar code at the pharmacy, but have no record in internal systems
- NT – standardising a single catalogue (multiple product identifiers) and moving to eProcurement in next phase

NPC – Private Health Organisation Drivers

- Prosthesis rebate codes linkage – reimbursement from the insurers (also now identified as an issue for public hospitals as well) = 1 hour/hospital/day on phone
- Accurate data – maintenance and collection effort
- Better visibility – understanding spend trends (EBITDA)
- eProcurement – but need accurate data first
- Not just health data – also food service, medical grade PCs and hand held devices + hotel services sectors

NPC – What do suppliers see

- Development data maintenance processes and ownership for data within their businesses – a single source
- Sales of products that they haven't promoted to jurisdictions
- Criteria in tender submissions = NPC compliance
- Ability to move to eMessaging/eProcurement
- Trading advantage – our business is easier for the jurisdictions to work with

NEHTA – The Road Ahead...

1. Continue to **provide a single NPC** for the procurement of medicines, medical devices and healthcare products
2. Accelerate organisations' **eProcurement readiness** to trade electronically, utilising data loaded onto the NPC
3. Support **business process improvement** and **standardised tender process** for tender submission, utilising data loaded onto the NPC across organisations
4. Increase the **evidence base** in healthcare supply chain and develop **industry-level KPI framework**
5. Establish **action plan** for jurisdictions increased utilisation; and **NPC data quality and synchronisation capability**
6. Create an **eProcurement flagship**; and recognise healthcare supply chain industry excellence through **best-practice awards**

The NEHTA Supply Chain Web Site

www.nehtasupplychain.com.au

The screenshot shows the homepage of the NEHTA Supply Chain website. At the top right, there is a search bar labeled "Search this website". The main banner features a collage of images: a hand writing on a tablet with "e-health" text, the NEHTA logo (National E-Health Transition Authority), a woman in a pink shirt, and a surgeon in a blue scrum. A quote reads: "Transforming the way Australia's health sector does business." Below the banner is a navigation menu with five items: Home, Supply Chain Overview, National Product Catalogue, eProcurement, and Other Solutions. The "Home" menu is expanded, showing links to NEHTA Homepage, About Us, External Links, and Contact Us. Below the navigation is a "Supply Chain News" section with a date of Sep 24 2010 and a headline: "WA e-Procurement system a national first for health". The main content area is divided into five columns corresponding to the navigation menu items. Each column has a "More" button and a list of sub-links. The "Supply Chain Overview" column includes links for Overview, Position Statement, and Documentation. The "National Product Catalogue" column includes links for Implementation, Buyers, and Suppliers, and a "Connectivity" section with Buyers and Suppliers links. The "eProcurement" column includes links for Implementation, Buyers, and Suppliers, and a "Connectivity" section with Buyers and Suppliers links. The "Other Solutions" column includes a link for "Locatenet for Healthcare" and "Master Catalogue Information System".

Search this website

e-health

Supply Chain

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Home

Supply Chain Overview

National Product Catalogue

eProcurement

Other Solutions

▶ NEHTA Homepage

▶ About Us

▶ External Links

▶ Contact Us

Supply Chain News

Sep 24 2010

WA e-Procurement system a national first for health

WA, the first State to implement an electronic trading system in healthcare that complies with the NEHTA specifications.

Supply Chain reform provides the critical standards and infrastructure required to support connectivity and interoperability of electronic health information systems across Australia.

More

▶ Overview

▶ Position Statement

▶ Documentation

The National Product Catalogue (NPC) is a central repository of product and pricing data published by suppliers for medical devices, medicines and medical consumables in the healthcare sector.

More

Implementation

▶ Buyers ▶ Suppliers

Connectivity

▶ Buyers ▶ Suppliers

Conformity

The NEHTA eProcurement solution provides best practice specifications for the exchange of messages between the buyer and the supplier of goods in the purchase to pay process.

More

Implementation

▶ Buyers ▶ Suppliers

Connectivity

▶ Buyers ▶ Suppliers

Conformity

NEHTA Supply Chain is constantly working on new solutions to help streamline supply chain management in healthcare. This section contains details on these innovative solutions.

More

▶ Locatenet for Healthcare

▶ Master Catalogue Information System

Summary

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Thursday 22nd March (pm) NEHTA Global Government ThinkTank

The ThinkTank will provide invited participants with:

- A global healthcare leaders forum to explore synergies in Supply Chain innovation and reform
- Specialist understanding of the importance of standards-based Supply Chain initiatives and their link to patient safety
- Sharing of benefits and learnings from international best-practice

ThinkTank Format

- Invited country showcase presentations
- Round-table executive discussions
- Potential global alliances and synergies formed

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Contact and Questions

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See **you** in **Sydney** 20-22 March 2012