



HEALTH

A GLOBAL CURE FOR HEALTHCARE

*A new and independent report by **McKinsey & Company** has estimated the benefits - in lives and value - of implementing one single global standard in Healthcare*

To download the report, visit
www.gs1.org/healthcare

The Healthcare industry faces major challenges: counterfeiting, ineffective product recall, medication errors and lack of inventory visibility resulting in high inventory costs and supply chain inefficiencies. At the same time, Healthcare costs have been rising for several years and are still expected to grow faster than national income in most of the countries, and regulators are defining new supply chain requirements to protect patients.

The situation will be unsustainable in the long run as these challenges affect the entire supply chain, from manufacturers through to wholesalers, distributors, group purchasing organisations and Healthcare providers.

The McKinsey & Company report, voicing the view of 80 thought leaders in the Healthcare industry, highlights the need to align on **a single global standard** to ensure patient safety and explains the urgency of driving adoption across all supply chain stakeholders.

“ Implementing global standards across the entire healthcare supply chain could save 22,000 - 43,000 lives and avert 0.7 million to 1.4 million patient disabilities ”

(Source: McKinsey report, “Strength in unity: The promise of global standards in healthcare”, October 2012)





GS1 SYSTEM OF STANDARDS

A common language to communicate information

- Global
- Neutral
- Not-for-profit



“ Rolling out such standards-based systems globally could prevent tens of billions of dollars’ worth of counterfeit drugs from entering the legitimate supply chain. ”

(Source: McKinsey report, “Strength in unity: The promise of global standards in healthcare”, October 2012)

The GS1 System of Standards is an integrated suite of standards that when used together enables **visibility** on the total supply chain, providing organisations with information about any item’s movement and enabling them to make more informed business decisions. At its core are GS1 Identification (ID) Keys. These globally accepted identifiers provide a common language to communicate information.

Counterfeited pharmaceuticals are one of the major public safety issues against which Healthcare stakeholders are taking action using one of the most well-known GS1 ID Keys: the Global Trade Item Number, or GTIN.

The GTIN is used to uniquely identify products and services and enables business processes such as traceability, ensuring safer supply chains across borders.





VISIBILITY

Identify, capture and share: foundational concepts of the GS1 System

It is harder than ever before to know where products are as they make their way from one end of today's increasingly global and complex supply chains to the other. Visibility is the ability to know exactly where things are at any point in time, where they have been before, and why. It is a capability that allows a company or organisation to have real-time knowledge about the flow of products and transactions in its supply chain, and then act upon that information to make decisions that drive business value.

However, there can be no visibility of an item or an asset unless there is a standard way for all stakeholders in the supply chain to identify it, capture and share information about it.

The GS1 System of Standards provides the comprehensive framework that ensures interoperability between these stakeholders. **Product traceability, anti-counterfeit and medication authentication, product recalls, inventory management, eProcurement, bedside scanning and use of Electronic Health Records (EHR)** - many business processes benefit from the visibility GS1 Standards provide.

Visibility can provide traceability for medication or medical devices along the supply chain all the way to the patient in hospital.

"Implementing GS1 Standards was a very cost-effective way for us to improve safety and quality of care at the hospital"

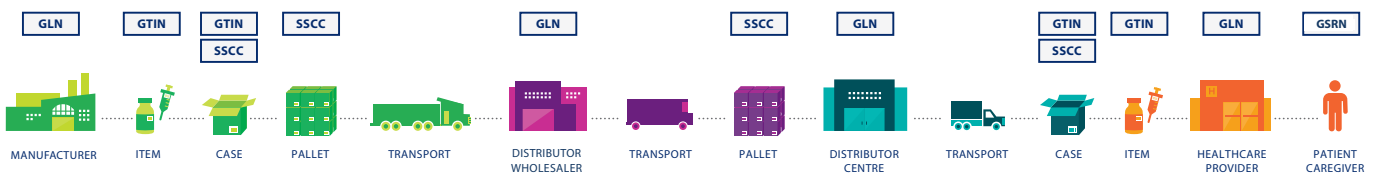
Tim Rutledge, President & CEO, North York General Hospital, Toronto



GS1 Standards in Healthcare

IDENTIFY: GS1 Standards for Identification

GLN Global Location Number **GTIN®** Global Trade Item Number **SSCC** Serial Shipping Container Code **GSRN** Global Service Relation Number



CAPTURE: GS1 Standards for Automatic Identification & Data Capture

GS1 BARCODES

EAN/UPC



9 501101 021037

GS1-128



(01) 0 0614141 98765 8 (11) 120715 (10) ABC123

ITF-14



0001101021037

GS1 DataBar



(01) 0 9501101 021037

GS1 DataMatrix



GS1 EPC/RFID

EPC HF Passive



EPC UHF Passive



SHARE: GS1 Standards for Automated Data Exchange

MASTER DATA GLN Registry for Healthcare®, Global Data Synchronization Network™ (GDSN®) **TRANSACTIONAL DATA** eCom (EDI) **EVENT DATA** EPC Information Services (EPCIS)





EVERY STAKEHOLDER WILL BENEFIT FROM USING GS1 STANDARDS



“ Today, the healthcare industry has half a trillion dollars tied up in inventory, but better collaboration enabled through global standards could reduce obsolescence and inventory redundancy”

(Source: McKinsey report, “Strength in unity: The promise of global standards in healthcare”, October 2012)

As GS1 Standards were developed by the industry for the industry, Healthcare communities worldwide have embraced them and advanced their implementation. GS1 Standards will allow for streamlined supply chain process and will benefit all stakeholders whether you are a manufacturer, a distributor, a wholesaler, a Group Purchasing Organisation or ultimately the patient. Their broad adoption will in turn enable full visibility – from production to patient.

Through the collaboration of companies and organisations throughout the Healthcare supply chain, GS1 is making it possible for healthcare to improve business and care delivery processes.


“Global standards could be a critical enabler to improving the safety and quality of patient care in a cost-effective way. Our analysis suggests that these standards have greater potential to improve care and save resources if they are truly global and adopted by all stakeholders, including manufacturers, distributors, wholesalers, pharmacies, and providers”

(Source: McKinsey report, “Strength in unity: The promise of global standards in healthcare”, October 2012)

NOW IS THE TIME TO ACT

Economies are struggling; patients are in danger due to the rise in counterfeit medicines, product and medical devices recalls are soaring putting patients at risk. We cannot wait any longer, **now** is the time to act. And GS1 Standards are foundational for this change.

GS1 organisations are already working with Healthcare thought leaders to adopt and use one single standard that will help organisations share data, promote accuracy, and work more efficiently—to improve patient safety and lower Healthcare costs.



"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 optimize 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."

Kenneth C. Frazier, Chairman of the Board, President and CEO, Merck & Co., Inc.

"[We] estimate that healthcare cost could be reduced by \$40 billion - \$100 billion globally" from the implementation of global standards

(Source: McKinsey report, "Strength in unity: The promise of global standards in healthcare", October 2012)

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 this paper please visit www.gs1.org/healthcare



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