Australia

Healthcare suppliers benefiting from Global Data Synchronisation

ABSTRACT

The ability to store and share accurate, complete and up-to-date data on healthcare products between suppliers and healthcare delivery organisations is a critical, foundational component for Australia's transition to an electronic health system. The National E-Health Transition Authority (NEHTA) has worked with GS1 Australia to encourage suppliers of healthcare products to use the GS1 Global Data Synchronisation Network (GDSN) compliant National Product Catalogue (NPC) hosted on GS1net, to communicate product and price data to all government and private sector healthcare purchasers within Australia. Here, four healthcare suppliers share the benefits they are experiencing to date.

The NPC – Standardising healthcare product data

By **Mark Brommeyer**,
NEHTA

The National Product Catalogue (NPC) is a single repository of product, pricing and healthcare data for all healthcare industry product categories for the purpose of data synchronisation. These categories include pharmaceuticals and medical devices (such as orthopaedic prostheses, implantable devices, dental products, imaging equipment, etc.) and medical consumables. The objective of the NPC is to ensure better overall data integrity throughout the sector.

When suppliers use the NPC to share their product data, they can be confident that their trading partners will receive their information in Australia and, in the future, around the world. The NPC enables the secure sharing of item master information such as product identifiers and descriptions, units of measure, package contents, Therapeutic Goods Administration (TGA) risk classification, Pharmaceutical Benefits Scheme (PBS) and Prostheses Rebate Codes along with pricing and related healthcare information. The NPC uses Global Trade Item Numbers (GTINs) as the globally unique, primary product identifier for every NPC record. This provides unambiguous product identification and reduces the risk of product identification errors.

NEHTA anticipates that full implementation of the NPC will save the public healthcare sector up to $AU200 million per annum[1] by ensuring accurate, valid and up-to-date product data, and improved communications and supply chain operations.

Governments have recognised that inefficient data management in the healthcare supply chain leads to increased costs and impacts patient safety when necessary supplies are unavailable, or incorrectly identified and recorded at the point of care.

The NPC was introduced to provide the foundation for an interoperable electronic supply chain system that delivers quality and efficiency benefits for providers and consumers. It provides suppliers with a single mechanism to communicate standardised and accurate product and price data electronically to Australian health departments and private hospital providers.

NEHTA is working with representatives and stakeholders from all aspects of the supply chain. Reference groups, industry forums, seminars and site visits ensure the NPC benefits public and private healthcare providers as well as healthcare suppliers. Ongoing monitoring, review and feedback ensure these benefits remain current and dynamic to meet the needs of an evolving industry.

"The NPC provides suppliers with a single mechanism to communicate standardised and accurate product and price data electronically to Australian health departments and private hospital providers."

In addition to the NPC, NEHTA has also developed an electronic procurement solution (eProcurement), which is designed to streamline the electronic purchasing process. This solution uses GS1 XML as the messaging format.

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1 Deloitte, 2004. *Recommendations for National IM & ICT Enablers in the Health Sector Supply Chain report*

Key advantages of the NPC and Data Sychronisation

• Current, accurate, standardised product information
• Foundation for national standardised method of electronic procurement
• Secure pricing information available only to nominated trading partners
• Ensures reliable continuity of supply with minimum inventory investment
• Removes inefficient and error-prone paper based processes, and automates the efficient distribution of product information
• Reduces order errors and the supply costs associated with invoice reconciliations, credit claims, returns and refused deliveries

NPC in practice

As at July 2012 more than 380 healthcare organisations are participating with the NPC. Major healthcare supply companies, such as Terumo Australia, Abbott Australia, ArjoHuntleigh and Cook Medical, are experiencing the benefits the NPC brings to their supply chain and procurement processes in Australia.

Diagram: NPC Data Flows
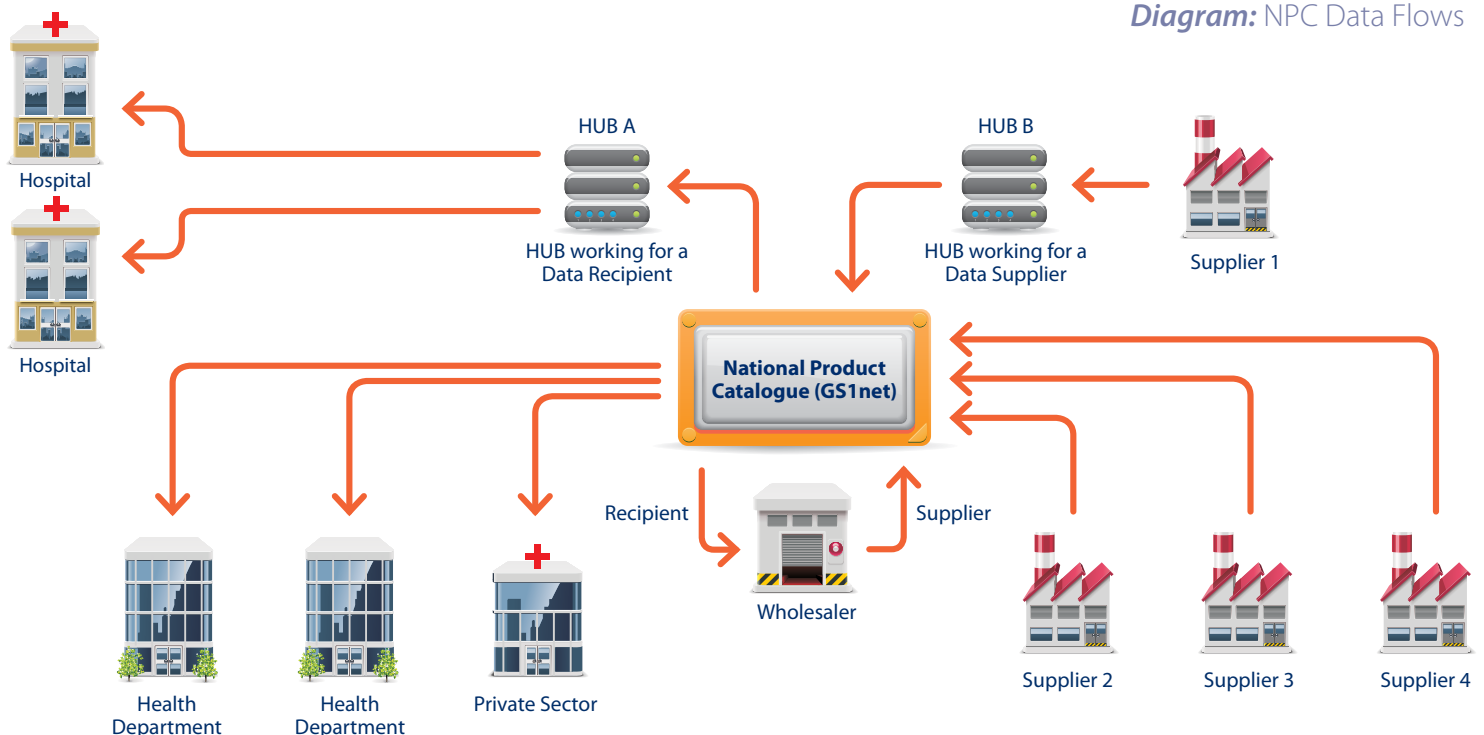
Terumo Australia: Gaining efficiencies

By **Yvonne Bell,**
Terumo Australia

Terumo Australia develops, manufactures and distributes an extensive range of products for use in Cardiovascular and Cardiothoracic surgery, Interventional procedures, Transfusion/ Laboratory and Pathology medicine for Blood Collection and Monitoring, Vascular grafts, in addition to Hospital products such as syringe and hypodermic needle products for hospital and physician office use. The Tokyo-based company operates locally through sales branches around the globe, including Terumo Australia based in New South Wales.

The company embarked on the NPC project as part of a requirement by customers to have a standard set of data they could use in their procurement systems.

The choice for Terumo to publish data on the National Product Catalogue provided an opportunity to prepare and clean this information once and then share the data between their customers to gain efficiencies.

"It is now much easier to communicate product and price data to trading partners, as we only have one set of data instead of five."

Implementation of the National Product Catalogue was defined as part of a larger overall B2B project. Terumo Australia recognised the value that this would bring to the organisation by standardising product data, as an initial step to future implementation of the NEHTA eProcurement Solution.

Terumo has published 1,690 items to date, with the data made available to 17 of its trading partners, over 50% of who actively use it. The process took under eight months initially and the company continues to add new ranges as they are introduced into the market.
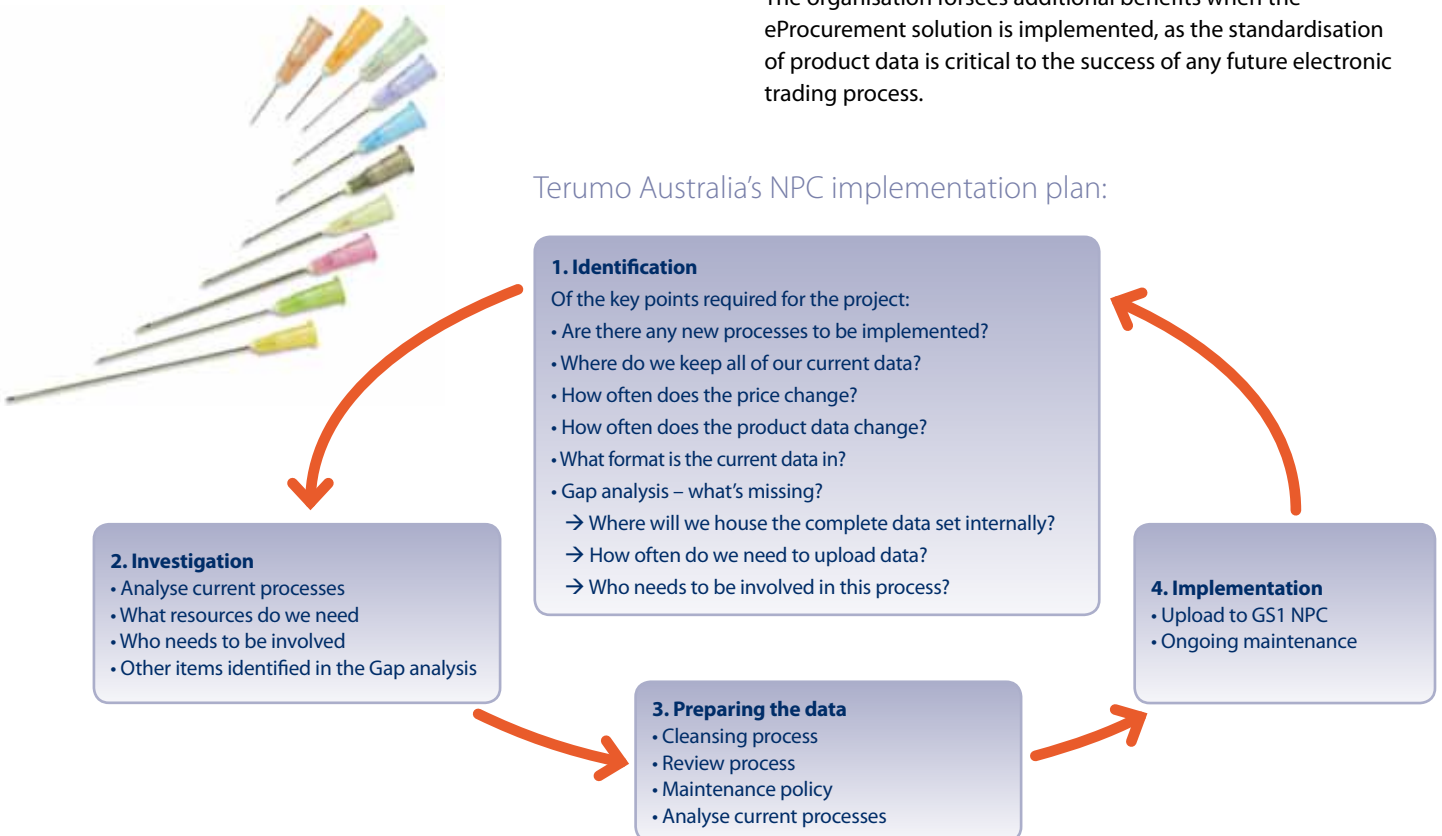
To plan and implement the NPC project, Terumo established a small project team, with representatives from its internal IT, marketing, logistics and business support teams. Input was also garnered from its customer service team.

As a result Terumo has significantly reduced catalogue maintenance time for both internal and external customers. It is now much easier to communicate product and price data to trading partners, as there is only one set of data instead of five different sets.

Customer service and sales representatives rely on this data source for the product information they need to do their jobs.

The organisation forsees additional benefits when the eProcurement solution is implemented, as the standardisation of product data is critical to the success of any future electronic trading process.

Terumo Australia's NPC implementation plan:

1. Identification
Of the key points required for the project:
• Are there any new processes to be implemented?
• Where do we keep all of our current data?
• How often does the price change?
• How often does the product data change?
• What format is the current data in?
• Gap analysis – what's missing?
→ Where will we house the complete data set internally?
→ How often do we need to upload data?
→ Who needs to be involved in this process?

2. Investigation
• Analyse current processes
• What resources do we need
• Who needs to be involved
• Other items identified in the Gap analysis

3. Preparing the data
• Cleansing process
• Review process
• Maintenance policy
• Analyse current processes

4. Implementation
• Upload to GS1 NPC
• Ongoing maintenance

Abbott Australia: Streamlining data catalogues

By **Dianne Prince**,
Abbott Australia

For Abbott Australia, the NPC is an essential ingredient in the company's future eProcurement activities.

Abbott is a global healthcare company with products spanning from nutritional products and laboratory diagnostics through medical devices and pharmaceutical therapies.

Locally, it offers a range of healthcare options spanning different disciplines and therapeutic areas, including pharmaceutical, nutrition, diabetes care, diagnostics, optical and vascular products.

Abbott Australia chose to publish data on the NPC because it was recognised that this would be the foundation for all business to business transactions in the future. The company could see that there would be multiple benefits for its customers as well as within the business.

Abbott Australia has currently published around 4,000 GTINs from across its different divisions, beginning the project in April 2007 and publishing its data two months later on 30 June 2007.

At the start of the project, Abbott anticipated that the automation of accurate item and pricing data exchange with its trading partners would result in significant savings, flowing from a reduction in handling the same information in different formats for multiple trading partners.

Accordingly, the implementation plan was viewed as a whole-of-company project.

Abbott Australia took the approach that everyone who touched item and pricing data should be involved in some way or other, as this opportunity would provide everyone with greater insights into trading partner requirements.

The company invested in the support of a GS1 consultant to help understand the item and pricing data requirements, and to guide

"The NPC is an essential ingredient in the company's future eProcurement activities"

it through the implementation. In addition, a cross-functional team of 12-15 employees worked on gathering and validating data.

The project team included people from IT, supply, pricing, regulatory affairs, logistics and customer service functions across its pharmaceutical, nutrition, diagnostics and diabetes care businesses.

In response to feedback from trading partners, data was initially loaded from across all Abbott divisions, including data from acquired companies, to a single catalogue. This resulted in using a number of different ways of uploading data – in itself an excellent learning experience. In 2012, the data will be separated into a number of different divisional catalogues.

Some of the early benefits Abbott has seen include a revised local data maintenance process, which can be shared with its global office as it begins preparing to load data to the GDSN. Other benefits have included reduced time to prepare tender submissions, since all involved can refer to a single source of data, and the company no longer needs to provide the same information to different trading partners in multiple formats; it can now direct them to the NPC.

All of the jurisdictions are starting to use Abbott Australia data as well as a major distributor of Abbott products. The process of granting access to a number of other trading partners is underway. Is it now easier to communicate product and price data to trading partners since being on the NPC? Absolutely – it's much easier!

ArjoHuntleigh: Leading the way globally

By **Karen O'Donnell**,
ArjoHuntleigh

In late 2009 ArjoHuntleigh, a global designer and manufacturer of products and services that help healthcare facilities care for people with reduced mobility, received a tender whereby it was mandatory to be NPC compliant.

This was all the reason needed to start their NPC implementation.

The NPC was always a concept ArjoHuntleigh knew about; the organisation had membership with GS1 Australia and allocated GTINs to products, but needed this push to take the next step and publish all product data on the NPC.

ArjoHuntleigh worked closely with GS1 Australia to implement the NPC.

The first step was three days of one-on-one intensive training with a GS1 trainer. This was exactly what was needed to kick-start ArjoHuntleigh's implementation. The training was completely tailored to the organisation's needs; based on a sample of live data which was worked with, and mapped out exactly how to implement the project.

Following the training, it took ArjoHuntleigh just three months to cleanse, upload and publish its data in time for the tender. Now, two years later, the company has the majority of its capital and consumable healthcare products in the NPC.

With GS1 Australia's support, ArjoHuntleigh completed the NPC project successfully in such a short period; and so accurately that nothing has changed since the project started.

It was important to the company to get it right first time. If the wrong data was published and had to be changed later, it is not only wasting valuable time and resources, but it also gives the wrong impression to the marketplace.

With an increased demand for NPC registered products specified in government and private sector tenders, this project continues to ensure ArjoHuntleigh can submit compliant responses in a timely and efficient way.

At least 90 percent of the data requested by tenders is generally already on the NPC, with the remaining 10 percent being specific supplementary information. The NPC makes it easy to reference the data and provide fundamentals and pricing.

Maintenance of accurate product data is a critical part of the NPC. Recognising this, ArjoHuntleigh has allocated a cross-functional team responsible for each data area, such as contract pricing and product specifics.

> *"Another significant benefit is having all the data logically and securely stored within the NPC, assisting staff in accessing the information required in the preparation of contracts, and allowing us to provide a more efficient service to our customers."*

Aside from tenders, another significant benefit is having all the data logically and securely stored within the NPC assisting staff in accessing the information required in the preparation of contracts, and allowing provision of a more efficient service to customers.

This drives efficiencies internally. Staff members, across all functional areas are getting trained in the use of the system and how to access the information required for their business needs.

ArjoHuntleigh is now planning to use the principles of the NPC and GS1 Standards in other areas of the business, including stock control and logistics. The NPC has enabled easy demonstration of the business benefits of streamlining our processes. Australia has set an example for the company globally, and it is looking to Australia for guidance on streamlining data management and procurement processes.

COOK MEDICAL: NPC essential for tenders and broad data transparency

By **Robert Webb,**
Cook Medical

Cook Medical is a global company developing and manufacturing products for endovascular therapy, critical care medicine, general surgery, diagnostic and interventional procedures, bioengineered tissue replacement and regeneration, gastroenterology and endoscopy procedures, urology, and obstetrics and gynaecology, and non-traditional innovative medical solutions.

NPC compliance is now a condition of most public tenders for major customers. The prospect of customers having enhanced access to products via a national product catalogue is very positive. Cook Medical has published approximately 6,000 items to the NPC, the overall process taking around eight months. As at April 2012, approximately 11 customers can access the data through NPC – these are currently limited to the largest group customers, such as the Australian State Health jurisdictions. Cook Medical anticipates it will trade electronically (EDI) with over 400 hospitals (GLNs) by year end.
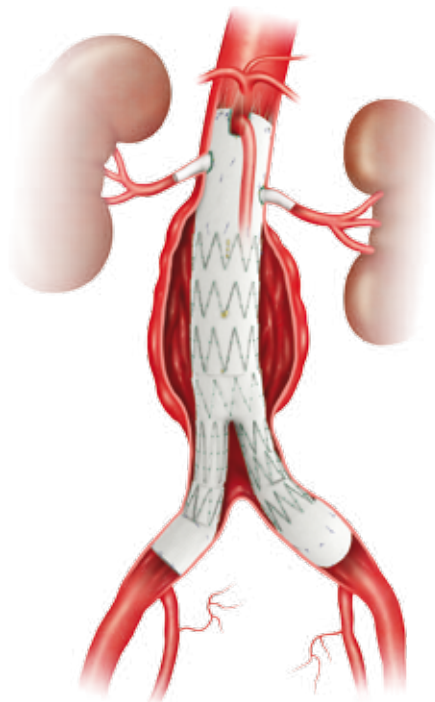
The IT team took a thorough approach to find out what was needed to become NPC compliant, attending GS1 seminars and training seminars and working closely with NEHTA, who then put Cook Medical on to third-party integrators to assist with the implementation.

Externally, the company is now able to maximise its opportunity with product tenders, and internally, the team has learned more about the organisation's own global systems and has a central location for all relevant product data.

Becoming NPC compliant has helped Cook Medical in its steps towards full EDI and the organisation now trades electronically (EDI transactions) with Healthscope and ACT Health. Cook Medical is now ready to expand its EDI functionality and is now ready for expansion to other healthcare providers. Choosing the right middleware companies that work with the given timeframe, show patience and understand the complexity of working with various ERP solutions was crucial to Cook Medical's NPC go-live project

The organisation anticipates even more business benefits when more customers start using the NEHTA eProcurement Solution (GS1 XML). In the meantime, the time taken up in providing information to certain trading partners has already been reduced and staff re-deployed to other value adding tasks internally.

"We anticipate increased business benefits as more customers start using the NEHTA eProcurement Solution"

ABOUT THE AUTHORS

Mark Brommeyer leads the Supply Chain Reform Program at NEHTA, incorporating the National Product Catalogue (NPC), the eProcurement solution and purchasing reform. Having spent 28 years in the health sector, with significant experience in e-health strategy and change management, Mark is passionate about supply chain reform. The last 20 years have involved managing change and the integration of information and communication technologies to support, connect and provide healthcare across distance and time barriers.

Yvonne Bell has worked within the healthcare industry for more than 25 years, during which she has held a variety of roles. Yvonne joined Terumo nine years ago and her role of National Business Support Manager covers core areas in Contract and Tender Management, Business Analysis and both internal and external customer support. In her current role, Yvonne had responsibility for the implementation of the National Product Catalogue in 2007 and is now actively involved in ongoing Terumo projects for the implementation of E Business.

Dianne Prince has worked for Abbott Australia for 16 years, initially as Training Manager for Operations and Quality Assurance and, for the past 12 years, as Customer Supply Chain Manager. This role requires a strong focus on anticipating external customer requirements to ensure Abbott's business processes are continually adaptive to changes within the healthcare environment. In addition to actively participating in industry working groups, Dianne works with Abbott colleagues locally and globally on the implementation of GS1 standards.

Karen O'Donnell, ArjoHunteigh, has worked in the healthcare industry for 15 years specialising in the supply, service and rental of a wide variety medical devices ranging from class 1 hoists and bed platforms in a community setting through to class 2b Ultrasonic Diagnostic equipment intended for the acute care sector. Although her role within the Quality, Regulatory and Environment Department of ArjoHunteigh is predominantly focussed on ensuring the quality and regulatory requirements of the Australian and New Zealand operations are met, Karen also provides support to the greater Asia Pacific region.

As Director of Healthcare Business Solutions at Cook Medical, **Robert Webb** is responsible for driving innovation in healthcare supply chain in the Asia Pacific region. Working with distribution channel members, governments, group purchasing organisations and hospital supply executives, he and his team seek to identify and create new ways to streamline and enhance the supply chain process. Rob has extensive experience in the medical sales and marketing industry and joined Cook Medical eight years ago.

For more information about these case studies, contact Tania Snioch at: tsnioch@gs1au.org.