


Chile

“Speaking in the same language to save time and increase efficiency and safety” - the standardisation of logistics in Chilean healthcare

<p>Challenge</p> <p>For a long time, CENABAST had acquired large quantities of products with different identification formats which caused multiple difficulties in their management.</p> <p>Approach</p> <p>They collaborated with GS1 Chile to improve the process of product information management in relation to their suppliers. This would improve operational indexes and incorporate best available practices, which would give greater agility to its logistics chain and lower the costs of the intermediation process that they perform in the public health sector.</p>	 <p>Within one year all suppliers were aligned with GS1 standards</p>	<p>DataMatrix and/or GS1-128 is able to deliver all the traceability information needed</p>
	<p>The positive impact in accuracy of the data now handled the speed of operation and the saving of time and effort</p>	 <p>The three largest pharmacy chains in Chile now use GS1</p>

 The main objective of Chilean Public Healthcare is to promote equity and quality in access to healthcare. The good level of public health they have achieved (better than other countries with similar socioeconomic development) is reflected in aspects such as the increase in life expectancy at birth, the reduction of highly avoidable health events such as maternal and infant mortality, and treating infectious diseases that can be controlled with vaccines and measures of sanitation and hygiene. The Healthcare System in Chile is made up of a public system (FONASA), a private system (ISAPRES) and other specialised ones (armed forces and foundations).

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The Ministry of Health has two main agencies, the Subsecretary of Public Health who governs the Institute of Public Health and the Superintendence of Health, and the Undersecretary of Assistance Networks, which governs the Supply Central of the National System of Health Services (CENABAST) and the National System of Health Services (SNSS) responsible for various types of health services.

CENABAST is a public institution, under the Ministry of Health, whose mission is to manage the purchasing processes defined by the Ministry and other governmental health entities, to provide and ensure the availability of medicines, food, supplies and medical devices to the Network of Health (hospitals, clinics and public health services nationwide) according to what they need.

Supported by GS1 Chile, one of the most important players in the distribution chain, CENABAST, made a strategic decision. For a long time, the institution had acquired large quantities of products with different identification formats and barcodes which caused multiple difficulties in their management. CENABAST, seeing the complexity that this resulted in, institutionally defined the need to standardise the identification of products in a GS1 format to streamline their logistics processes.

Recognising that the use of global standards makes this process more efficient and fluid, CENABAST, together with GS1 Chile, decided to work in collaboration on the objective stated on the next page.



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GS1 Chile and CENABAST will collaborate to improve the process of information management associated with the products that CENABAST manages in relation to its suppliers. This will improve operational indexes and incorporate best available practices, which will give greater agility to its logistics chain and lower the costs of the intermediation process that CENABAST performs in the public health sector.”

Impact on the supply chain

The interaction of CENABAST with its trading and traceability partners is very varied, given the diversity and quantity of suppliers (pharmaceutical laboratories and others), logistics operators, and health institutions that are its final customers.

As its first activity, for the entire chain of suppliers, CENABAST decided to disseminate an instructional document prepared by GS1 Chile with detailed instructions for identification throughout the product hierarchy. This document became an obligatory part of the public tenders of the Institution.

The incorporation of this requirement in bids had a high impact and was a key part of the implementation of global standards throughout the logistics chain. It meant that all suppliers aligned with GS1 standards, from the large multinationals that simply assimilated in Chile the practices already used internationally, as well as from other suppliers that had some difficulties and needed more support, both from CENABAST and from GS1 Chile. After a period of approximately one year, all suppliers were delivering their products in the manner specified.

How were GS1 standards implemented?

CENABAST has always known that, for Commercial Units, the GS1 DataMatrix is a much more powerful and versatile symbology than the EAN-13 and that it is internationally established as the recommended format for the field of healthcare. As is known, the EAN-13 only delivers the GTIN, while the DataMatrix is able to deliver all the traceability information, which is essential for a safe administration to the patient.

In the commercial units, it was preferable for now to continue with EAN-13 and GTIN-13 since pharmaceutical retail was not yet prepared for reading and processing the DataMatrix.

That remains as phase two, as well as the identification of the unit dose.

In the shipping or packaging units, it was decided to implement labels in GS1 format, with GS1-128 containing all the traceability information such as the GTIN, lot and expiration date. Finally, in logistics units (pallets), both single product and mixed, it was required to place logistics labels with a GS1-128 and SSCC (Serial Shipping Container Code) plus the corresponding application indicators.

Along these lines, all logistic formats, except for the unit dose, were identified with GS1 global standards for the benefit of all stages of the supply chain.

CENABAST together with GS1 Chile, did a great job of implementation both internally and externally with its commercial partners and suppliers. In addition to changing its corporate system to an Enterprise Resource Planning World Class, it acquired and put into operation new data capture equipment with state-of-the-art scanners and industrial wireless networks with a high level of wireless security.

With its traceability partners, they made sure to spread the work of implementation through instructions, prepared by GS1 Chile, given in the tenders. These became mandatory after a trial period. In addition, GS1 Chile, in conjunction with CENABAST, provided training to approximately 300 collaborators of the Institution so that they could fully understand and commit themselves to the project. Training was also given to the technical staff of each of its most important suppliers (another 300 people).



Benefits

There was a period of transition where CENABAST admitted labels with errors and inaccuracies, but after some time, the Institution became stricter, rejecting product orders that did not adapt to the requirements of the bids. This meant that in a relatively short time, all suppliers began using GS1 standards, both to satisfy the requirements, but also to capture their own barcodes automatically. This gave them more accuracy and their own real-time data, saving the manual entry of each process.

Another additional benefit was the incorporation of GS1 standards into pharmacy chains. In Chile, the pharmaceutical market is concentrated in three large chains that supply the whole country at user level. These chains are supplied directly by suppliers and laboratories and although they have used the EAN-13 and its reading of the GTIN-13 at the point of sale, historically the use of logistic labels in boxes and pallets was not standard. They worked with internal codes, both when receiving products from their suppliers and in the transportation and delivery of them from distribution centers into retail pharmacies.



Since CENABAST adopted GS1 standards, the three pharmacy chains progressively, and with support from GS1 Chile, decided to implement and also request that their suppliers (the same ones from CENABAST) use GS1 standards in their product hierarchy.

Today, with the compliance of the three pharmaceutical chains, we can ensure that this supply chain also works in line with GS1 global standards.



The positive impact of CENABAST's GS1 implementation has been observed in the accuracy of the data now handled, the speed of operation and the saving of time and effort. This has also benefitted the operations of suppliers, because they can also take advantage of these benefits in their own internal operations.



Next steps

Despite all that has been achieved, there is still a lot left to do to ensure patient safety and quality of care in Chile, and to make everybody aware that “safer, more efficient care starts with a simple scan.”

Conclusion

It is evident that inefficiencies in general logistics have financial consequences: reduction of profit margins, product losses and errors of dispatch, among others. In the health sector this is even more critical. For example, if due dates are not taken into account, large volumes of products expire and must be eliminated, causing significant losses to the national budget. And most importantly, any health error can cause a medical problem or even the death of a patient.

For these reasons, implementing GS1 standards, together with barcode-reading devices and software that are compatible with GS1, is vital for standardising products and processes to ensure the safety and efficiency of Chile’s health system.

About the author



Of Spanish nationality, with residence in Chile since 1994, with studies at the Complutense University of Madrid. He worked at the School of Mining Engineers of Madrid for 10 years as deputy manager of Technological Development. In Chile he worked at Fundación Chile and later at SONDA S.A. as a senior data capture consultant for 9 years.

At GS1 Chile since 2006, he has been a consultant in international standards and since 2008 he has been a certified traceability auditor and subsequently he was certified in Milan as a global traceability audit trainer. He specialises in the design and implementation of technological solutions in data capture, logistics optimization and traceability based on global standards. He is head of the regional healthcare group for Latin America, Professor in Logistics Diplomas at the University of Santiago de Chile and a national and international speaker on new technologies, data capture and traceability.

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About the organisation



The Central Supply of the National System of Health Services (CENABAST), is a public, decentralised institution under the Ministry of Health, whose mission is “to contribute to the welfare of the population, ensuring the availability of medicines, food, supplies and equipment to the Health Network, through the management of a service of excellence, efficient and quality supply, to improve the health of all the people who live in Chile”.

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