Increasing Efficiency Among Healthcare Trading Partners

Presented by:

Tony Verdone, Vice President Development

MediClick, Inc.
MediClick Overview

- Founded in 2000
- 55 employees
- SaaS model
  - Over 14,000 users access hosting center daily
- 100% focus on healthcare
- 200+ hospitals

Products
- MediClick for the Supply Chain
  - Electronic requisitioning, EDI, purchasing, inventory management, JIT, approval routing, invoice matching
- MediClick for Financials
  - General Ledger and Financial Reporting, Accounts Payable
- MediClick for Contracts & Analysis
  - Helps provider take control of pricing, vendor relationships, product utilization, etc.
70 + Hospital Corporations
200 + Hospital Organizations
Sometimes You Win, Sometimes You Lose and Sometimes It Rains

One of my favorite film quotes is from Ebby Calvin LaLoosh (yes, that's his name!) the erratic but talented Durham Bull's baseball pitcher placed under the tutelage of Crash Davis, an experienced but somewhat over the hill catcher, made famous in the movie Bull Durham. “This is a very simple game,” LaLoosh says. “You throw the ball; you catch the ball; you hit the ball. Sometimes you win; sometimes you lose; sometimes it rains.”

I find the later part of the quote to be quite insightful and very applicable to marketing and selling the SaaS model to healthcare organizations. According to a recent InformationWeek survey of 150 organizations not using SaaS, the model raises two red flags in their IT departments:

1. Concerns over security
2. Concerns over data ownership

Any SaaS provider has experienced this bias. Many CIOs and CTOs insist that their data
# What Is The Problem?

- **Medical: Infection Prevention**
  - We offer the broadest array of solutions in the fight against hospital-acquired infections. Our products are backed by a diverse portfolio of education programs and knowledgeable technical service to provide practical support for your patients and staff.

- **Medical: Skin and Wound Care**
  - Our extensive line of trusted products helps simplify and improve skin health and the treatment of wounds, both acute and chronic. These products provide cost-effective solutions and are supported by educational services, professional and technical support.

- **Stethoscopes (Littmann®)**
  - A trusted leader in auscultation technology, Littmann brand stethoscopes are renowned worldwide for unsurpassed quality, precision, acoustical superiority, innovative design and exceptional performance.

- **Medical Specialties and OEM Products**
  - The trusted source for medical device and product manufacturer. We offer innovative solutions, technologies and services for the medical device component market, including medical, surgical, colon, electrodes, optical, retail, and diagnostics.

- **Health Information Systems**
  - Software and consulting services solutions across the health care continuum for transcription, speech recognition, clinical documentation improvement, document management, computer-assisted coding, quality, and revenue cycle management.

**Oral Care: Dental (3M ESPE)**
- One of the largest dental supply companies in the world, 3M ESPE works collaboratively with dental professionals around the globe to find ways to make dentistry faster, easier and better for professionals and their patients.

**Oral Care: Orthodontics (3M Unitek)**
- Offering more than 14,000 orthodontic solutions worldwide, we're an industry leader differentiated by our unwavering commitment to superior customer service and high quality products and services for straightening teeth and improving healthy smiles.

**Food Safety (Microbiology)**
- 3M designs, manufactures and markets a full line of testing and monitoring products globally that assist food processors in providing healthy, wholesome and safe food by managing their quality and safety risk.

**Drug Delivery Systems (Worldwide)**
- We partner with pharmaceutical and biotech companies to team their molecules with our inhalation or transdermal drug delivery technology offering a full range of feasibility, development and contract manufacturing capabilities.

**Veterinary & Animal Care**
- Extending its health care expertise to animals, 3M provides high quality products and services to veterinary professionals, trainers and pet owners in the companion animal and equine marketplaces.
Supply Chain Dilemma

Hospital: Allegiance

Group Purchasing Organization: Premier

Distributor: Owens & Minor

Manufacturer: 3M

Contracts

POs/Receipts

Shipments
How Many Variations of 3M?

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<td>3M HEALTH CARE (ORTH)</td>
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Was this Really a Good Idea?

Let's All Build Cross Reference Tables

![Cross Reference Table]

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<tr>
<td>Manufacturer Name</td>
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**General**

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</table>
What is the Answer?

http://www.gs1us.org/sectors/healthcare
What is the GS1 Initiative?

• Managed by GS1 US™, a not-for-profit member-driven organization

• More than 200,000 GS1 US member companies

• Establish trading partner standards
Why Standards?

- Foundation for clear, understandable exchanges between companies
- Patient Safety
- Drugs and Medical Devices
  - “Ensure the right drug is administrated to the right patient at the right time in the right dosage”
- Reduce Medication Errors
- Improve Product Traceability
The “G” Acronyms

- GLN = Global Location Number
- GTIN = Global Trade Item Number
What is a Global Location Number?

• It’s a number!
  – Unique number across the world

• That Identifies:
  – Physical Locations
    • Warehouse
    • Delivery location
    • Storage cabinet
    • Nurse’s station
  – Legal Entities
    • Manufacturers
    • GPO’s
    • Distributor
    • Hospital
How are GLN’s Assigned?

- GS1 Member Organization assigns a company prefix
- Company assigns their own GLN locations
- GLN Structure
  - GS1 company prefix + location reference + check digit
  - Total 13 digits
- GS1 recommendation
  - “do not build intelligence into the GLN”
GLN Registry

Over 220,000 Healthcare GLNs Listed!

The GLN Registry for Healthcare® provides a comprehensive list of healthcare and healthcare related facilities in the United States, with corresponding Global Location Numbers (GLNs). Using the GS1 GLN to standardize location identification not only ensures that the right product arrives at the right place at the right time, it also facilitates more efficient business practices and helps to drive down supply chain costs. The GLN is the globally recognized identification number used in the GS1 System to uniquely identify legal entities, trading partners, and customer locations in electronic commerce transactions. The GLN Registry serves as the “single source of truth” for healthcare location information enabling subscribers to access up-to-date, reliable location information for industry manufacturers, distributors, retailers, hospitals, clinics, and retail and mail-order pharmacies to improve the accuracy of their supply chain activities.

Many healthcare supply chain participants are now working to meet the industry-wide 2010 GLN Sunrise date for implementation of GLNs in lieu of custom location numbers to improve patient safety and supply chain efficiency. If you are ready to begin using GLNs in transactions and would like to find other “GLN Ready” supply chain partners, see the GLN Ready User List below.

GLN Ready User List

The GLN Ready User List provides an easy way to find “GLN ready” supply chain partners in U.S. healthcare. The GLN Ready User List includes organizations subscribed to the GLN Registry that have declared their readiness to use GLNs in business transactions, replacing other custom location numbers.
Recap: Global Location Number

- Essentially like a Social Security Number:

  IDN’s could have **ONE**
  Hospitals could have **ONE**
  Receiving / Warehouses could have **ONE**
  Departments could have **ONE**
  Vendors could have **ONE**
  GPO’s could have **ONE**
  Manufacturers could have **ONE**
Industry ‘Sunrise’ December 2010

- **Note:**
  - Not a *legal* requirement for any Entity
  - Not all Entities will adopted this new code initially
  - Will be required by the DOD for transacting business
    - The DOD is the largest consumer of healthcare supplies
GS1 System Readiness*
Self-Reported Scorecard
(Healthcare Software Suppliers)

GLN Implementation Activity for Healthcare Software Suppliers

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>GLN can be stored in the system</th>
<th>GLN can be used in purchase orders</th>
<th>GLNs can be included in EDI 850 (Purchase Order) transactions</th>
<th>GLNs can be included in EDI 855 (Purchase Order Acknowledgment) transactions</th>
<th>GLNs can be included in EDI 887 (Sales Reporting) transactions</th>
<th>GLNs can be included in EDI 856 (Advanced Ship Notice) transactions</th>
<th>GLNs can be included in EDI 832 (Price Sales Catalog) transactions</th>
<th>GLNs can be included in EDI 810 (Invoice) transactions</th>
<th>GLNs can be included in EDI 844 (Product Transfer / Account Adjustment) transactions</th>
<th>GLNs can be included in EDI 845 (Price Authorization) transactions</th>
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</tbody>
</table>

* This “Scorecard”, reported voluntarily by the organizations listed, is provided to demonstrate the progress achieved in the GS1 Healthcare US community initiative. It is not and should not be construed, as any type of “Preferred Vendor” list.

Note: Software applications are version specific. Please check with your Solution Provider to ensure you are using the latest available version.

N/A = EDI transactions with N/A are not a feature of this software.
MediClick’s Engagement in GS1

Pilot Program:
MediClick is part of a pilot program that will demonstrate how the GS1 standards will increase efficiency among all healthcare trading partners.

Pilot Participants:
- Premier (host) — GPO
- Allegiance Health System — Hospital
- Steris — Distributor/Manufacturer
- Owens & Minor — Distributor
- MediClick — MMIS vendor

Pilot Timeline & Goals:
- January 2010: Kickoff
- February 2010: GLN setup and validation
- March 2010: Transact a PO using GLN
- April 2010: Compile summary document and industry recommendations

Workgroup Involvement:
MediClick’s VP of Supply Chain Strategy, Don Boss, is participating in GS1 Healthcare US’ Application and Implementation Workgroup, a group creating educational materials to help hospitals better understand and implement GS1.
Enhancing the MediClick Product

![MediClick Product Enhancements](image)

<table>
<thead>
<tr>
<th>Bill To GLN Code</th>
<th>Ship To GLN Code</th>
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<tbody>
<tr>
<td>10089800000002</td>
<td>10089800000009</td>
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</table>
The Check Digit for the Department '6060' Ship To GLN code is invalid. Please correct and re-enter.
### GS1 Check Digit Calculator

#### Calculation of the Check Digit: GS1 Identification Numbers

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<th>ID Number</th>
<th>Check Digit</th>
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<td></td>
</tr>
<tr>
<td>GTIN-13 or GLN</td>
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</tr>
<tr>
<td>GTIN-14</td>
<td></td>
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<tr>
<td>SSCC</td>
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<tr>
<td>Bill Of Lading</td>
<td></td>
</tr>
<tr>
<td>GTIN 8 below is for International use only</td>
<td></td>
</tr>
<tr>
<td>GTIN-8</td>
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</tr>
</tbody>
</table>

**GTIN-12 (U.P.C.)**

The Check Digit for a GTIN-12 (U.P.C.) ID Number is figured using the standard modulo 10 algorithm.
Now For The Really Hard One!

- **GTIN**
  - Global Trade Item Number
  - May be 8, 12, 13 or 14 digits
  - Used to for unique identification of trade items world wide
  - First part is the GS1 company prefix
  - Indicator used for packaging levels
  - Sunrise: December 2012

Figure 2-2 Example of a GTIN-14

<table>
<thead>
<tr>
<th>Indicator</th>
<th>GTIN of the items contained (without Check Digit)</th>
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<td>N_14</td>
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</tbody>
</table>
Many Rules for GTIN’s
GTIN Initiative: to be continued ……………….