

DOD REPORTS FINDINGS FROM INITIAL HEALTHCARE PRODUCT DATA SYNCHRONIZATION PILOT

Existing GDSN platform shows viability for healthcare, further testing in an expanded pilot recommended.

PHILADELPHIA – NOVEMBER 15, 2007 –The healthcare industry is another step closer to finding the solution for the standardization and synchronization of critical medical surgical product data across its \$200+ billion supply chain, according to the initial results of an ongoing pilot sponsored by the U.S. Department of Defense (DoD). A solution is needed to reduce burgeoning healthcare costs, improve efficiencies and, ultimately, increase patient safety.

In the groundbreaking pilot, the DoD and industry participants tested an existing product data network known as the Global Data Synchronization Network® (GDSN®), and found that GDSN demonstrates the potential to meet healthcare’s complex data synchronization needs. Because the finding is so promising, the DoD is expanding the pilot to include more industry participants and to test the movement of a larger volume of manufacturer data files via GDSN. Pilot findings are published in a newly released report, [*Creating a Source of Truth in Healthcare: Testing the GDSN as a Platform for the Healthcare Product Data Utility*](#), available at dmmonline.dscp.dla.mil/datasynchronization/dodpilots.asp.

GDSN is already widely used for the secure exchange of standardized product information in other large industries in the U.S. and around the world. “Through this initial pilot, we are confident that the GDSN meets the minimum criteria needed by the healthcare industry,” says Kathleen Garvin, DoD data synchronization program manager at the Defense Supply Center Philadelphia (DSCP), a Defense Logistics Agency business unit which oversees the pilot. “We look forward to testing the scalability of GDSN with additional participants. The GDSN healthcare product data utility (PDU) is a good candidate for a single source of validated, standardized and synchronized healthcare product information,”

Specific lessons learned from each participant are detailed in the pilot report. Participants in the initial phase were:

- BD and Sage Products, Inc., representing manufacturers
- Premier Inc., representing group purchasing organizations
- Baptist Health South Florida, representing a hospital
- Lawson Software, representing an information system
- 1SYNC™, a GDSN-certified Data Pool provider
- Ontuet, representing a data on-boarding partner

“Our nation is burdened by astronomical healthcare costs. I commend the pilot participants for recognizing the importance of improving fundamental product data to reduce costs while also improving

patient safety,” says Rep. Jim Moran, D-Va., who is championing efforts to fund important healthcare IT projects across the healthcare industry. “The collaboration demonstrated in the DoD pilot is impressive, and needed to drive both the federal and private healthcare industry forward.”

Pilot participants tested the flow and usability of product data internally and with their trading partners, using GDSN as a hub for the secure and standardized transmission of items from manufacturers. Pilot participants confirmed GDSN as a viable solution.

“For manufacturers, it’s important that a product data synchronization solution and unique device identification system for healthcare be global in nature in order to reduce data sharing requirements, redundancy and costs,” says Dennis Black, Director, eBusiness for BD. “GDSN and the globally accepted product data standards show great potential for healthcare. These processes and standards are already being used successfully by our Diabetes Care Unit with major retailers.”

GDSN uses specific product and organizational identification standards--the Global Trade Item Number® (GTIN®) and the Global Location Number (GLN). While these standards are emerging in the healthcare industry, they are currently in use by healthcare manufacturers that serve retail markets. In addition, GDSN can support the healthcare industry’s United Nation’s Standard Products and Services Code® (UNSPSC®) for product classification.

Participants acknowledged that the implementation of any industry PDU will likely require information systems upgrades or process re-engineering, yet “the benefits of implementing such a system far outweigh the unacceptable costs of the status quo,” says Joe Pleasant, CIO of Premier, a participating GPO. “Other industries don’t have the same kind of data problems we have in healthcare, and now it is our turn to reap the benefits from a PDU. GDSN data could be implemented today using existing business systems.”

About Healthcare’s Data Problem

Product information in the healthcare supply chain is notoriously inconsistent, inaccurate and out-of-date, adding billions of dollars in costs and tremendous inefficiencies to an already-burdened industry. Bad data makes it nearly impossible for hospitals to conduct effective supply chain analyses, and obstructs efforts to track and remove recalled products. In addition, the resource-intensive and time-consuming processes associated with product identification can negatively impact patient safety. For all these reasons, the healthcare industry is mobilizing to unify around a single source and set of global standards for the synchronization of product information.

About DoD/VA Data Synchronization Program

The DoD launched a product data synchronization program in 2003 to improve the healthcare supply chain, reduce costs and ultimately to better support the warfighter. The VA has since joined these

data synchronization efforts through DoD/VA Joint Incentive Funding. For more information, visit <https://dmmonline.dscp.dla.mil/datasynchronization/datasync.asp>

About Defense Supply Center Philadelphia

Operating within the Defense Logistics Agency and the U.S. Department of Defense, Defense Supply Center Philadelphia annually buys \$12.4 billion worth of food, clothing, textiles, medicines, medical equipment and construction and equipment supplies and services for America's warfighters, their eligible dependents and other federal customers worldwide.

About DLA

DLA provides supply support, and technical and logistics services to the U.S. military services and several federal civilian agencies. Headquartered at Fort Belvoir, Va., the agency is the one source for nearly every consumable item, whether for combat readiness, emergency preparedness or day-to-day operations inside DoD. More information about DLA is available at www.dla.mil.

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