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Premier healthcare alliance endorses supply chain standards to enhance patient safety, reduce costs

First healthcare group purchasing organization to require GS1 standards in contracts to identify, track medical devices

CHARLOTTE, N.C. (July 21, 2008) – The Premier healthcare alliance today became the first group purchasing organization (GPO) to announce its endorsement of GS1[®] supply chain standards, which will be required through Premier contracts with medical device manufacturers. Use of the standards will allow for definitive identification of medical products and devices, tracking them through the healthcare system and placing them within a standardized product database, enabling rapid communication about any potential issues. Full adoption of the GS1 standards within contracting and operations at Premier will be implemented over the next five years.

Although the majority of products in America, from peanut butter to bolts and screws, have numbering systems that enable bar codes or radio-frequency identification (RFID) for tracking purposes, no such uniform system exists for medical devices. This means that patients today face a significant risk that a recalled medical device or product could be inadvertently used in their treatment because of the inability to rapidly locate it in the hospital.

Dennis Harrison, president of GS1 Healthcare US[™], commented, “This is a huge step forward for the healthcare community. As a GPO, Premier’s announcement will have far reaching effects in driving the implementation of GS1 standards across the healthcare supply chain.”

“The collaboration toward standards adoption between Premier and its supplier community will help ensure correct products are delivered to correct locations,” said Joe Pleasant, Premier chief information officer and senior vice president. “The outcome will be increased patient safety, a decrease in supply chain costs and faster order-to-cash cycles, leading to significant value for patients and our alliance members.”

Premier’s endorsement follows years of leadership in the supply chain standards community. Premier played an integral role in Congress passing legislation in October of 2007, requiring the Food and Drug Administration (FDA) to put in place a mandatory national unique device identification system.

“We believe that the requirement for our supplier community to use these standards in Premier contracts will help accelerate the FDA’s implementation of a uniform system throughout the industry,” Pleasant said.

GS1 standards adoption will be supported by Premier through changes to new contract agreements to include adoption commitments, as well as training and educational sessions for providers and suppliers. To help ensure smooth adoption by Premier alliance members, contracted suppliers and affiliates, a special task force will be created to facilitate the on-boarding process and successful registration.

The specific standards to be adopted include:

- Global Trade Item Number[®] (GTIN[®]) - a standardized number used to identify medical devices, ranging from syringes to pacemakers, at various packaging levels, reducing transaction errors and inefficiencies.
- Global Location Number (GLN) - a standardized number used to identify any parties that have been in contact with a product, from manufacturers to distributors to hospitals to nursing stations, reducing transaction errors, inefficiencies and delays in recalls while increasing supply chain security.
- Global Data Synchronization Network[®] (GDSN[®]) - stores GTIN and GLN data, allowing users to access information regarding products, including changes and updates; used by more than 15,000 companies for over 2 million products.

About Premier Inc., 2006 Malcolm Baldrige National Quality Award recipient

Serving more than 2,000 U.S. hospitals and 53,000-plus other healthcare sites, the Premier healthcare alliance and its members are transforming healthcare together. Owned by not-for-profit hospitals, Premier operates one of the leading healthcare purchasing networks and the nation's most comprehensive repository of hospital clinical and financial information. A subsidiary operates one of the nation's largest policy-holder owned, hospital professional liability risk-retention groups. A world leader in helping healthcare providers deliver dramatic improvements in care, Premier is working with the United Kingdom's National Health Service North West and the Centers for Medicare & Medicaid Services to improve hospital performance. Headquartered in San Diego, Premier has offices in Charlotte, N.C., Philadelphia and Washington. For more information, visit www.premierinc.com.