

# The GS1 Standards Event

A digital experience.





The Global Language of Business

# GS1 Standards Event – A digital experience

GS1 standards supporting the supply chain

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Jeff Denton, AmerisourceBergen Corp.; Susanne Somerville, ChroniCloud  
24 June 2020



# Anti-trust caution

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- GS1 operates under the GS1 anti-trust caution. Strict compliance with anti-trust laws is and always has been the policy of GS1.
- The best way to avoid problems is to remember that the purpose of the group is to enhance the ability of all industry members to compete more efficiently.
- This means:
  - **There shall be no discussion of prices, allocation of customers, or products, boycotts, refusals to deal, or market share.**
  - If any participant believes the group is drifting toward impermissible discussion, the topic shall be tabled until the opinion of counsel can be obtained.
- The full anti-trust caution is available via the link below, if you would like to read it in its entirety: <http://www.gs1.org/gs1-anti-trust-caution>.

# About AmerisourceBergen

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- AmerisourceBergen is one of the largest global pharmaceutical sourcing and distribution services companies, helping both healthcare providers and pharmaceutical and biotech manufacturers improve patient access to products and enhance patient care.
- With services ranging from drug distribution and niche premium logistics to reimbursement and pharmaceutical consulting services, AmerisourceBergen delivers innovative programs and solutions across the pharmaceutical supply channel.
- The breadth and depth of our services, which range from clinical trial logistics to reimbursement support, allow us to work in lockstep with our partners to implement forward-thinking strategies that will ensure product and patient access
- AmerisourceBergen has made targeted investments in innovation that brings benefit to global manufacturers, providers, pharmacies and health systems all to drive quality patient care across the country and around the globe



# GS1 Standards Event – A digital experience

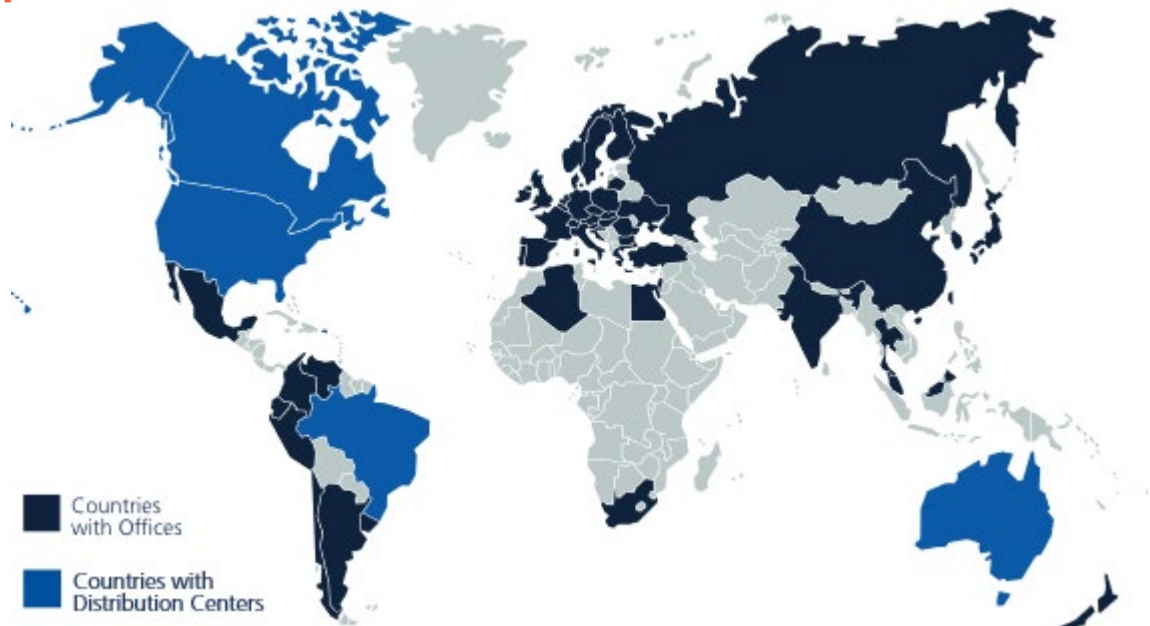
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# One Large Wholesaler View



## HEADQUARTERS

Valley Forge, PA

## WORLDWIDE

50+ Countries

## LOCATIONS

150+

## ASSOCIATES

Approx. 22,000



## ANNUAL REVENUE

\$175 Billion



## NYSE TICKER

ABC



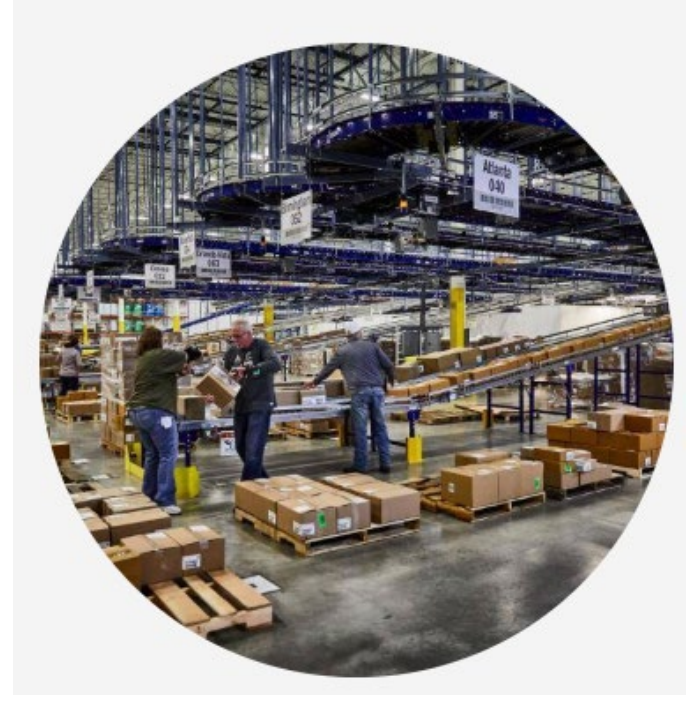
## FORTUNE 500 RANK

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# Role of the Distributor

As a pharmaceutical distributor, we efficiently supply hundreds of thousands of sites of care with life-saving medications every day—impacting the health and wellness of millions of people. Our role in healthcare creates value beyond distribution alone.

Distributors enable financial stability, facilitate business intelligence, and protect the supply chain.



# Services Provided

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- Pharmaceutical Distribution
  - Full Line Pharmaceuticals
  - Oncology
  - Vaccines
  - Etc.
- Third Party Logistics
- Product Commercialization – movement through supply chain, and availability
- Repackaging, Private Label Manufacturing
- Nursing Services
- Community Pharmacy Partnerships
- Animal Health





# Why Technology is Important

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- AmerisourceBergen is a forward-thinking organization with a focus on information technology as a driver of innovative business solutions.
- Our extensive knowledge, global reach and progressive technology capabilities and IT service models have helped our customers succeed in today's dynamic healthcare landscape. We continue to invest in our customers and create technological advances that best meet the needs of our clients and business partners.
- AmerisourceBergen's integrated technology platform and approach with a focus on functionality allows us to seamless and effectively enter the market as an enterprise organization.

# What Makes This All Successful?

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## Achieving Success

- Who is involved?
- What service or product is involved?
- Do we work as an industry (open source)?
- What tools can we use?
- How do we take advantage of existing and emerging technology?

# One new technology is Blockchain

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- Blockchain is not new, just new to our industry
- Collaborative tool beyond many comfort levels
- Is secure
- Can be used to include a little information on a lot of transactions
- Requires multiple parties to participate in the “Chain”
- Is being used today
  - Reverse logistics product verification
    - Verification Router Services
    - Look-up Directory
  - Contracts and chargebacks pilot
  - DSCSA Pilot Completed for 2023

# How can we extend the value of new technology?

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- Further Distribution efficiencies
- Revenue Management
- Improved Analytics
  - Massive amount of data available, including purchase orders, warehousing, distribution, returns, etc.

# Common Requirements

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- Global Standards
- Electronic Transactions
  - ✓ EPCIS
  - ✓ Lightweight messaging standards
  - ✓ US EPCIS Guideline
- Identifiers
  - ✓ Identifiers
  - ✓ Global Trade Identification Number (GTIN)
  - ✓ Global Location Number (GLN)

# Is Blockchain really going to change how businesses operate?

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Enables **secure peer-to-peer messaging** directly between trading partners

Allows **business rules to be enforced** on data and transactions exchanged between trading partners

Provides companies the ability to **share and control their own master data** with trading partners

# Blockchain in Production: Product Verification

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The Drug Supply Chain Security Act requires all wholesalers to verify authenticity for drugs resold in the US starting November 27th, 2020

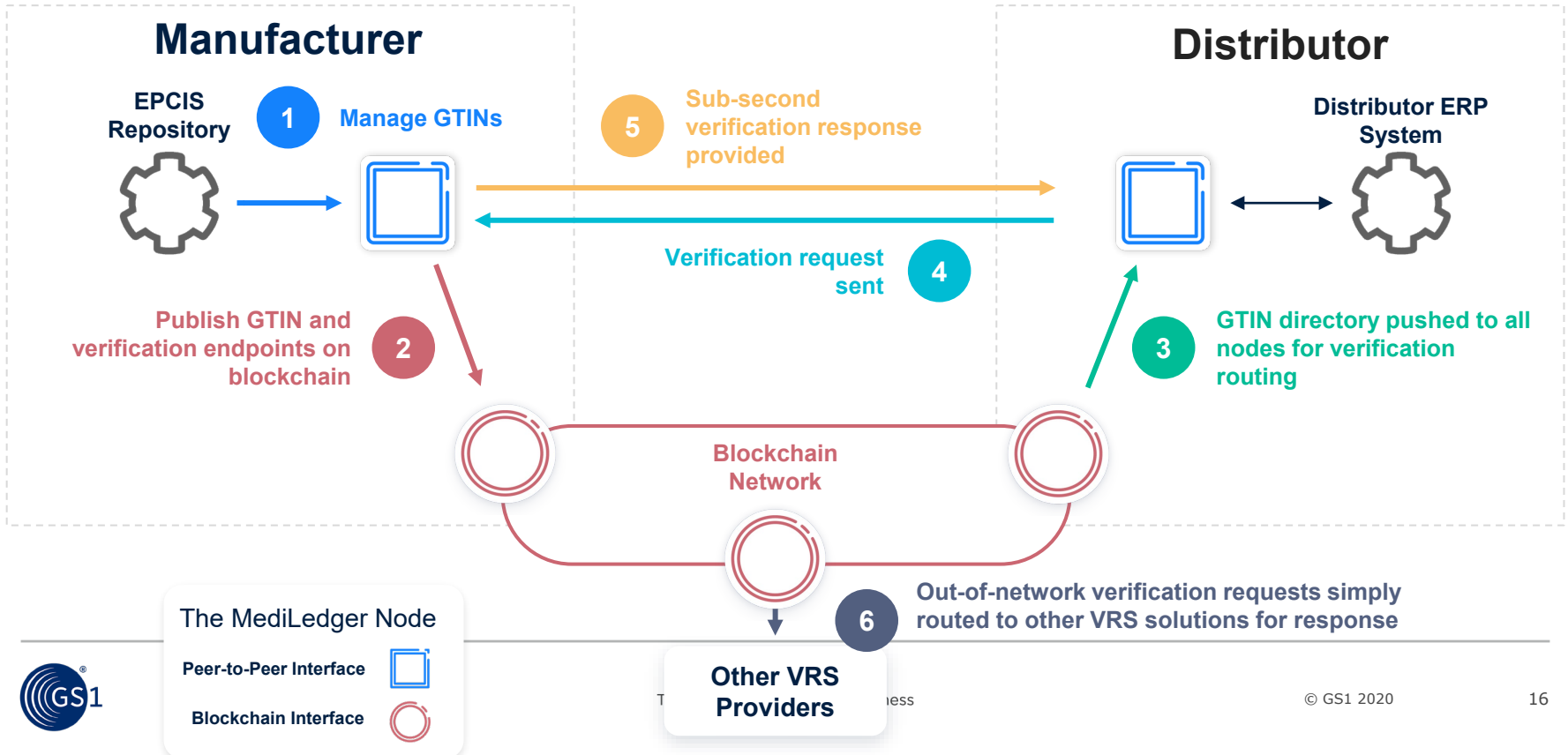
## Who is Involved?

**>2% of all drugs  
returned and re-sold**

**800+ licensed  
manufacturers**

**100+ license  
wholesalers**

# Product Verification: How it Works





# Why Standards Matter

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- The Verification Router Solutions would not work without the defined standards from GS-1

**GS-1 Company Prefix** ensures only companies can control / modify their product identifiers

**GTINs** ensure all product identifiers are valid and unique

**GLNs** ensure you know who you are receiving requests from and who is responding

**GS-1's Messaging Standard** ensures all solution providers can communicate with each other

# Blockchain in Production: Revenue Management Today

## Manual Effort



Customer Management and dispute resolution is **complex and time consuming**

- Roster retrieval & processing
- Document management
- Eligibility determination
- Dispute resolution

## Disputes



Chargeback disputes create **poor customer and partner experience**

- Chargebacks don't adhere to contract terms
- Class of Trade misalignment
- Delayed contract updates

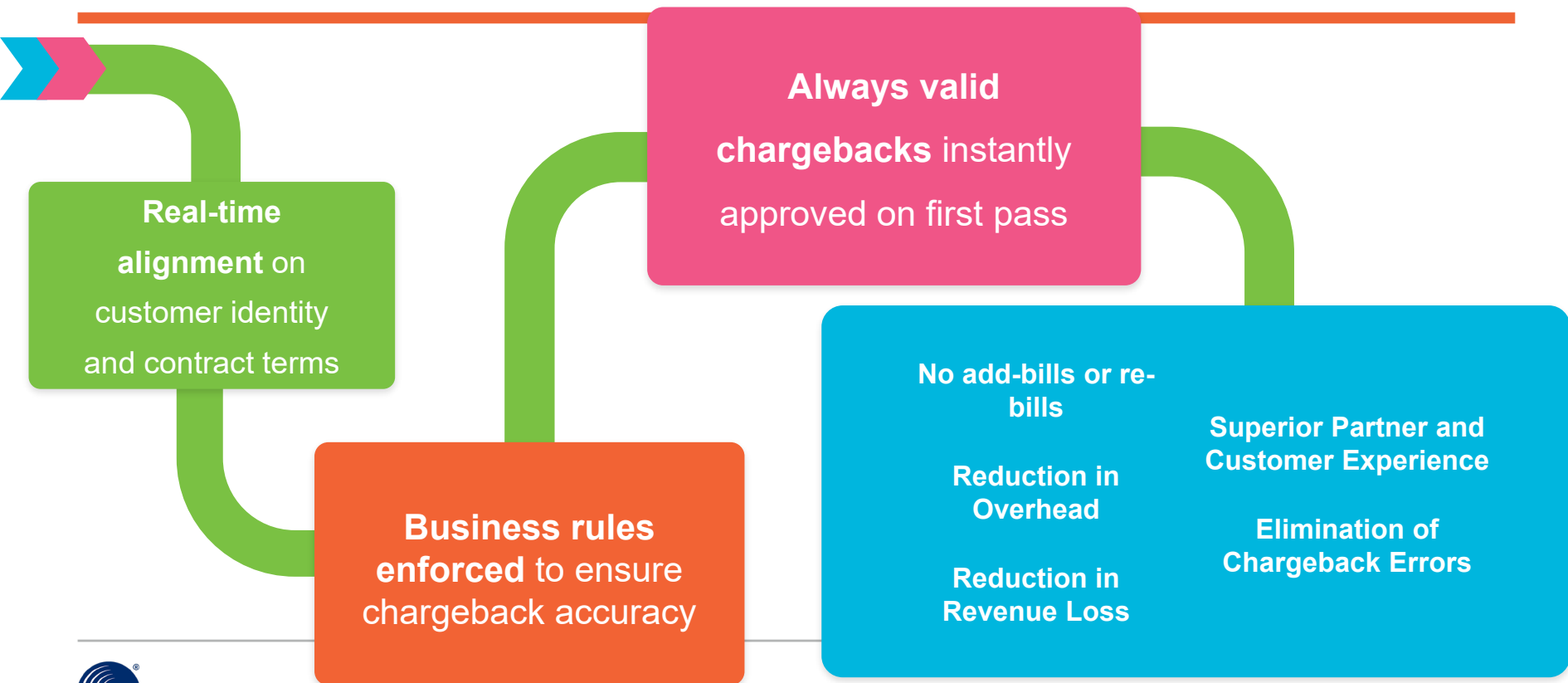
## Revenue Loss



Chargebacks errors and unresolved disputes can be **expensive for everyone**

- Customer add-bills and rebills
- Unapproved deductions
- Duplicate chargebacks

# Blockchain in Production: Revenue Management



# Why Standards Matter

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- Standards are less developed for industry Revenue Management resulting in difficulty to identify customers

Processes  
predominately  
use **NDC** and not  
**GTIN**

**GLNs** not  
consistently used  
– all customer  
identifiers (HIN,  
DEA, 340b)  
designed for  
other purposes

**EDI** standards  
struggle to keep  
up with changes  
in how companies  
do business

Upcoming work for  
Med/Surg  
Chargebacks has  
issues with Product  
Identifiers