



COALITION FOR HEALTHCARE E-STANDARDS AND HIGPA JOIN FORCES TO ESTABLISH SINGLE GPO VOICE FOR SUPPLY CHAIN DATA STANDARDS

Now a subcommittee of HIGPA, CHeS to represent nation's healthcare group purchasers as industry moves to implement global supply chain data standards.

ANN ARBOR, MI - June 24, 2008 – The Health Industry Group Purchasing Association (HIGPA), the preeminent organization that advocates on behalf of healthcare group purchasing organizations (GPOs), and the Coalition for Healthcare eStandards (CHeS), the leading industry-wide standards advocacy organization, are combining their efforts whereby CHeS will now serve solely as a committee under HIGPA.

Effective July 1, 2008, the two organizations will enter a new agreement that allows the work of CHeS to continue under the management structure of HIGPA. CHeS will legally dissolve on June 30, 2008 and formally become a committee under the auspices of HIGPA at that time.

Curtis Rooney, HIGPA President said, “CHeS is a remarkable organization that has brought the industry together to develop and promote the use of open data standards that make the healthcare system more efficient and safer for patients. With its impressive standards knowledge and proven track record, CHeS will make a strong addition to HIGPA’s ongoing work on behalf of GPOs.”

Joe Pleasant, Chair, CHeS Board adds, “Becoming part of HIGPA is a natural next step in the progression of CHeS, and a win-win for both organizations. CHeS will be more strongly positioned to help the nation’s hospitals—via their GPO—to accelerate their efforts in implementing the standards needed to increase efficiencies, reduce costs and improve patient safety. HIGPA will be able to leverage and advance the progress made by CHeS by ensuring the GPOs have the tools they need to drive standards implementation among their hospital members.”

Since its founding in year 2000, CHeS has been on the forefront of the healthcare supply chain standards movement. Bringing together providers, manufacturers, distributors, GPOs, materials management information system vendors and e-commerce companies, CHeS researched global best practices and, as a result, endorsed many standards being incorporated now in the healthcare supply chain, including the Global Location Number™ (GLN™), the Global Trade Item Number® (GTIN®) the United Nations Standards Products and Services Code® (UNSPSC®) and the recommended “product data utility” for healthcare, the Global Data Synchronization Network® (GDSN®). CHeS has also created

Benefits of Supply Chain Standards to GPOs

- Increased sales of GPO Items/GPO contracts
- Single Source for accurate product data from hundreds of manufacturers
- Reduced and simplified data feeds from potential manufacturer contractors
- Reduced data cleansing efforts
- Better product identification for sales tracking to capture administrative fees and rebates
- GPO is able to more quickly determine and aggregate information on new items
- Enhanced relationship with members
- Better product data for members
- PDU will become the basis of product item master in customer Material Management and Contract Systems
- Easier sourcing of products by members
- 100% eCommerce by members (to include invoicing)

work groups to track and communicate standards pilots, including the national GLN pilot and the U.S. Department of Defense GDSN pilot, and has most recently endorsed the use of global standards [from GS1®] for healthcare.

Also active in the standards movement, HIGPA followed CHeS and endorsed the GLN in 2004. Additionally, many current HIGPA members were core members of CHeS, including Amerinet, MedAssets, Novation and Premier.

With CHeS now established as a focused committee of HIGPA, GPOs will have a unified single voice in ongoing industry standards efforts. Representing HIGPA, CHeS will continue to participate in industry activities related to the adoption of supply chain standards, serving on work committees of the newly formed GS1 Healthcare US™ along with other member organizations including the Association of Healthcare Resource & Materials Management (AHRMM) the recently merged Healthcare Supply Chain Standards Coalition (HSCSC) and the Strategic Marketplace Initiative (SMI).

“The important work of CHeS will continue, under a new umbrella” says Peggy Brody, Executive Director of CHeS. “Getting the GPOs on the same page with regard to standards, and getting their participation as a single voice, will accelerate the benefits to hospitals of adopting and using global standards. At the end of the day, using standards is all about improving safety for the patient. I look forward to working with HIGPA to further this synergistic goal.”

CHeS will be funded out of separate HIGPA membership dues structure assessed to participating GPO members of HIGPA that will appoint a representative to CHeS and report to the HIGPA board. CHeS will begin its transition into HIGPA immediately and is slated to complete the move at the end of 2008.

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About CHeS

The Coalition for Healthcare eStandards, Inc., (CHeS) is a collaborative of organizations dedicated to promoting the adoption and use of open data standards in the health care industry. Through the work of task forces, CHeS makes recommendations to accelerate industry-wide adoption of comprehensive data standards and encourages other industry representatives to participate in e-commerce standards work groups. For more information about the Coalition for Healthcare eStandards, visit www.CHeStandards.org.

About HIGPA

The Health Industry Group Purchasing Association (HIGPA) is a broad-based trade association that represents 19 group purchasing organizations, including for-profit and not-for-profit corporations, public purchasing groups, associations, multi-hospital systems and healthcare provider alliances. HIGPA’s mission is to advocate on behalf of health care group purchasing associations, to provide educational opportunities designed to improve efficiencies in the purchase, sale and utilization of all goods and services within the health industry and to promote meaningful dialogue between GPOs. For more information, visit www.higpa.org.