

Pharma Groups Work on EPC Issues

EPCglobal adds a new healthcare action group and a team of drugmakers, retailers and distributors studies the pharmaceutical industry's requirements for deploying RFID.

By Jonathan Collins

Sept. 30, 2004—Reacting to calls from pharmaceutical retailers, distributors and manufacturers, EPCglobal has added a new action group to specifically study the pharmaceutical industry's requirements for developing and deploying RFID. The move comes as a report on a recent trial that used EPC tags and readers to track items throughout the supply chain concludes that the pharmaceutical industry faces unique issues that need to be addressed before the full-scale deployment of the technology within the industry.

EPCglobal's new Healthcare and Life Sciences Business Action Group, which brings together representatives from retailers, distributors and manufacturers, held its inaugural meeting at the EPCglobal US 2004 conference in Baltimore Tuesday, with subsequent meetings set for Oct. 28 and 29 in Europe and for early December in Asia.

“It is good to see that EPCglobal has recognized that the pharmaceutical industry is different and that standards might not be the same as in the consumer industry,” said Paul Rudolf, senior advisor of medical and healthcare policy for the U.S. Food and Drug Administration (FDA), during a keynote presentation at the show.

Some of those differences stem from the privacy and labeling regulations imposed by the FDA in the U.S. and by other governments elsewhere.

According to Accenture, which managed the trial, any EPC implementation in the pharmaceutical supply chain, an environment that is highly regulated, would need to resolve systems and packaging requirements—especially in regard to data sharing and consumer privacy concerns—and would present greater costs and challenges than those of EPC implementations in other industries.

Even so, the global consulting and technology services company believes that the recent trial across the pharmaceutical supply chain still proved that the deployment of EPC and RFID technology can help satisfy regulatory and retailer requirements, increase product security and enhance order accuracy.

The test was created, deployed and conducted by five pharmaceutical manufacturers, Abbott Laboratories, Barr Laboratories, Johnson & Johnson, Pfizer, and Procter & Gamble; two pharmaceutical wholesalers, Cardinal Health and McKesson; and two retail pharmacies, CVS Pharmacy and Rite Aid. Industry trade associations including the Healthcare Distribution Management Association (HDMA) and National Association of Chain Drug Stores (NACDS) also took part. Accenture served as program manager for the group.

“This test used real products, real ordering, real infrastructure and real product supply,” says Jamie Hintlian, partner at Accenture.

After an eight-month design period in which the five manufacturing participants companies selected two products each for the project, nearly 13,500 packages of pharmaceuticals were tagged at the manufacturing facilities over an eight-week period this summer. The tags were placed on blister packs designed to be sold directly to consumers and on bottles used to transport drugs in bulk to retail pharmacies, where the contents are then divided into prescription amounts.

Although the tags were placed on real products intended for consumer use, the tags were mostly not on products packaged for consumers. The only exception was the one blister-pack product, which carried information informing customers what the RFID label was and that it could safely be removed.

The test network deployed a total of 19 single-antenna readers at 15 locations. Reads were taken at four key points in the supply chain: at five manufacturer sites, at two wholesale distributors, at two retail distributors and at four retail stores.

One of the parameters of the trial, says Accenture, was to use commercially available readers that were not optimized for each location. The network used Class 0 tags and readers from Matrix—now part of Symbol Technologies—as well as RFID middleware from Manhattan Associates and computing hardware from Dell.

The study found that the ability of the trial deployment to provide continual real-time access to a tagged drug's pedigree—a record documenting the drug's manufacturing and distribution—resulted in a much-improved visibility into where product was at all times and also enabled any missing products to be tracked down.

According to Accenture, the project team identified and brought to the attention of EPCglobal and the FDA the need for standards and business practices relating to the use of RFID and EPC technologies that address the unique requirements of the pharmaceutical industry.

Although the trial used real products and product orders, the group involved in the trial says it is working toward a second-phase trial that focuses on linking the RFID network with existing IT systems.

“The test created a working prototype. We concentrated on the core processes. In the next stage, we will look to integrate the network with existing applications,” says Hintlian.

The second phase of the project will also further explore the business value of RFID within the pharmaceutical supply chain. Other companies such as Sanofi-Synthelabo, Walgreen and Wyeth have joined the group and will participate in the trial. No date has been set for the trial yet.

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