

Rite Aid Embarks on Item-Level Tracking Pilot

The drug store chain will begin reading tagged bottles of Viagra received at its DC in Perryman, Md., and plans to equip two of its stores with handheld RFID readers so pharmacists can track incoming tagged bottles.

By Beth Bacheldor

Nov. 14, 2006—[Rite Aid](#) has announced plans to expand its RFID initiative to include item-level tagging. Starting this week, at Rite Aid's Perryman, Md., distribution center, the drug-store chain will begin reading tagged bottles of Viagra packed in tagged cases received from drug distribution giant [McKesson](#).

The bottle tags operate at the 13.56 MHz high-frequency (HF) band and are made with NXP Semiconductors (Philips) ICode chips, while the case tags operate at the 915 MHz ultrahigh-frequency (UHF) band and comply with the EPC Gen 1 protocol. Each HF and UHF tag is encoded with a unique Electronic Product Code (EPC). The company has also used RFID to track tagged cases of certain drugs from [GlaskoSmithKline](#) (GSK), and plans to carry out pilots with drugmakers [Wyeth](#), [Novartis](#) and [Purdue](#) to track tagged cases.

Rite Aid's RFID expansion, announced this week at the [RFID Health-Care Industry Adoption Summit](#) conference in Washington, D.C., is designed to help the chain more accurately track and trace drugs coming into its distribution centers, says Rich Reinsburrow, systems development manager for the company's supply chain. To accomplish the item-level reads, Rite Aid will deploy [Blue Vector Systems'](#) Smart Conveyor Tunnel, which fits over a conveyor system and can read both UHF tags on cases and HF tags on items within those cases (see [RFID Vendors Launch Item-Level RFID Drug-Tracking Systems](#)).

Since July, Rite Aid has been testing case-level tracking of Viagra, as part of a pilot involving the drug-distributor McKesson (see [McKesson Starts RFID Pilot for Viagra](#)), and Reinsburrow says the pharmacy chain has so far experienced a 95.71 percent rate of successful tag reads. The tagged cases move through an RFID-enabled portal that incorporates two [Symbol](#) RFID readers.

Although case-level tagging has delivered some automation to Rite Aid's distribution center, it still has not eliminated several labor-intensive manual tasks. That's because Rite Aid often receives what Reinsburrow refers to as "broken cases," containing an incomplete load of bottles, and provided with advance shipping notices (ASNs) outlining only the total number of bottles in a given order. Thus, the chain has had to count and compare each case of Viagra that comes in manually.

With item-level tags, Rite Aid will be able to count the bottles inside the cases automatically, then compare those counts with serialized ASNs from McKesson that indicate exactly how many bottles are in each case, and list each bottle's EPC.

RELATED_ARTICLES "We're looking for some real gains with item-level tracking," says Reinsburrow. "We have to touch and validate every case that comes in. Item-level RFID will save us from having to do that."

By year's end, Rite Aid plans to equip two of its stores in Harrisburg, Penn., with handheld RFID readers.

This will enable pharmacists at the store to track incoming tagged bottles of Viagra (Rite Aid generally does not ship drugs by the case to its stores). Rite Aid also intends to create ASNs detailing the shipments to the stores, permitting pharmacists to correlate their orders with the actual shipments received. As the system interrogates the tags, Reinsburrow says, the reads will verify that the stores have received the shipments.

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