

# Drug Tracking to Begin in March

Pharmaceutical manufacturers have been asked to put EPC tags on Class 2 drugs shipped to a Wal-Mart distribution center.

Nov. 17, 2003—Keeping track of Class 2 drugs—prescription painkillers and drugs that can be abused—is a labor-intensive job for pharmacies in the United States because the Food and Drug Administration requires that each pill be accounted for individually. Wal-Mart is hoping that RFID technology can help reduce the time spent tracking these drugs.

The retailer has asked roughly two dozen pharmaceutical companies, including Pfizer and Purdue Pharma, to begin tagging all bulk containers of Class 2 drugs shipped to a pharmaceutical distribution center in Bentonville, Ark., starting in March 2004, almost a year before suppliers of other items have to start tagging pallets and cases. The bulk containers are plastic bottles used to transport drugs such as morphine and OxyContin. The requirement affects about 120 different types of drugs.

At a meeting of suppliers outside of Wal-Mart's Bentonville headquarters earlier this month, Wal-Mart executives told a group of RFID technology vendors that it was already tracking Class 2 drugs from two suppliers at its Bentonville distribution center. The retailer said some 4,500 tagged items had been read since the system went live a couple of weeks earlier.

The bulk containers are RF friendly. That is, they don't contain water or metal, which can cause problems for RFID systems. That makes them easy to read with 100 percent accuracy. The suppliers are currently using Class 0 Electronic Product Code (EPC) tags, but Wal-Mart said the pharmaceutical companies can use Class 0, Class 0 Plus (a read-write version of Class 0) or Class 1 tags on the shipments after March 1.

The Wal-Mart initiative is focused primarily on adhering to the FDA's track-and-trace requirements. The agency is keenly interested in the project, and some of its officials attended the Wal-Mart meeting with suppliers in Bentonville. The FDA sees EPC and RFID technologies as a way not just to track drugs but also as a means to ensure that counterfeit drugs don't make their way into the legitimate supply chain. This has been an increasing public health concern, as well as a business issue for pharmaceutical manufacturers.

RFID can't solve the black market distribution of counterfeit drugs, but it could prevent bogus drugs from getting into the legitimate supply chain. Say, for example, the pharmaceutical manufacturer puts an EPC tag on each sealed bottle containing 100 OxyContin pills. It associates the EPC with information about the shipment in a secure database. When the pharmacy receives the shipment, its staff can verify that each bottle's safety seal is intact and an RFID reader can automatically scan the bottle's EPC tag. A computer system can access the pharmaceutical company's secure database to confirm that this specific bottle was shipped and what it was supposed to contain. If the EPC number on the bottle doesn't match the code in the database—or if the contents don't match the information or if the bottle's seal has been broken—the two parties can investigate.

Pharmacy staff now have to scan each bottle's bar code carefully to ensure 100 percent accuracy. Given that shipments can contain a dozen or more bottles of six different Class 2 products, the RFID system could save labor for retailers while helping to protect drug makers from counterfeiting, making RFID tagging a win for

both sides.

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