



NEWS RELEASE

Novation Endorses GS1 Standards to Drive Supply Chain Efficiency

Supports Implementing Global Data Standards to Improve Patient Safety and Reduce Costs in Health Care Supply Chain

IRVING, TX; March 23, 2009 — Novation, the leading health care contracting services company of VHA Inc., University HealthSystem Consortium (UHC) and Provista, LLC, today announced its endorsement of the GS1 Global Supply Chain Standards in health care. With health care spending expected to reach \$2.5 trillion this year, consuming 17.6 percent of the national economy, Novation said that its plan to roll out the GS1 e-standards is one more way it is working to help health care provides across the country improve patient safety and reduce costs.

The standards include the Global Location Number (GLN), the Global Trade Identification Number (GTIN) and the Global Data Synchronization Network (GDSN). Novation is leading an ambitious strategy to leverage the GS1 supply chain e-standards movement so that VHA and UHC members are in the best position to take advantage of the supply chain efficiencies and patient safety improvements that result.

“Today, the health care providers that leverage Novation’s vast contracting services and the thousands of suppliers we work with are at different stages in implementing data standards. We need to align them,” said Dennis Byer, senior director industry standards at Novation. “A common, secure and reliable product tracking system is the best chance we have to make critical improvements in patient safety and costs.”

The health care provider benefits of implementing global data standards in health are wide-ranging. They include:

- reducing medication errors through efficient automatic identification
- efficient and accurate traceability of products and devices throughout the supply chain
- less time spent on manual documentation leaving more time to consult directly with patients
- cost reduction through increased supply chain efficiency
- improved order and invoice processes
- increased productivity

Proposed Timeline of Implementation

Novation will follow the industry timeline below for standards adoption:

2009 – UHC/Novation will work with early adopters of the GLN, the GTIN and the GDSN and will accept GLN for all hospital product procurement, sales reporting and rebates.

2010 – By December 31, 2010, custom account numbers will no longer be accepted. All manufacturers must use a GLN. Hospital members can order their products with a GLN and all sales reporting and rebates will be paid with a GLN. GTIN’s accepted.

2011 – UHC/ Novation will continue to enforce the use of the GLN. GTIN’s accepted

2012 – By December 31, 2012, custom product numbers will no longer be accepted. GTIN’s required.

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About Novation

Founded in 1998, Irving, Texas-based, Novation is the leading health care contracting services company, delivering unmatched savings and value to nearly 2,500 members of VHA Inc. and the University HealthSystem Consortium (UHC), two national health care alliances and nearly 12,000 members of Provista, LLC. Through its competitive contracting process, Novation develops and manages contracts with more than 500 suppliers. Novation offers the most extensive range of advanced contracting services, including: contract development, contract and supplier management, custom contracting, enhanced savings programs, online contract management and analytical tools, order management and online supplier connectivity. VHA, UHC and Provista members used Novation contracts to purchase more than \$33.1 billion in 2007.

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