

NEWS RELEASE

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Use of UNSPSC Product Classification Code in Health Care Increased in 2005

ANN ARBOR, MI April 24,2006- Use of the United Nations Standard Products and Services Code®(UNSPSC®) is increasing, according to the Coalition for Healthcare eStandards (CHeS), the leading supply chain industry standards organization.. The UNSPSC is an open, global standard classification schema.

Health care providers are using the UNSPSC to consistently classify the products and services that they buy and reduce supply costs. Group purchasing organizations (GPOs) have classified products in their contract catalogs and made these available to members for download. Providers download the UNSPSC codes to classify the Item Masters in their information systems, providing the basis for spend analysis. Health care providers search contract catalogs by category, increasing utilization.

Supply chain solution providers also assist hospitals and other providers with classifying products according to the UNSPSC taxonomy.

Product utilization can be analyzed by category and against procedure, doctor or facility. Savings opportunities are made visible and actionable. Contract utilization is increased. Using these and other techniques, supply chain costs are lowered and the financial health of the health care institutions is improved.

Collectively, the group purchasing organization members of the Coalition for Healthcare eStandards (CHeS) manage more than \$80 billion worth of purchases annually for the nation's health care providers. This represents 80 percent of all transactions for this market.

The UNSPSC is the first product taxonomy available to the health care industry that is an open standard. It is available free of charge to all members of the supply chain. Using this hierarchical classification system, hospitals and their suppliers can collaborate to increase contract compliance and reduce inadvertent off-contract spend – a win-win for both. Hospitals can accelerate product standardization efforts, and rapidly benchmark between facilities and source products faster, while more efficiently analyzing their purchasing.

GS1 US™, formerly the Uniform Code Council, Inc. ® (UCC®) serves as code manager of the UNSPSC.

The Coalition for Healthcare eStandards (CHeS) first endorsed the use of the UNSPSC in 2002. The following are descriptions of how the nation's top group purchasing organizations and supply chain solutions companies are using the UNSPSC and making it available to their customers and member organizations.

Amerinet:

Amerinet continues to endorse the utilization of the UNSPSC and responds directly to member requests to ensure compliance within our e-commerce solutions. For example, currently, all Amerinet Medical/Surgical line items contain an UNSPSC code that our members access directly from our contract catalog. Through Diagnostix, Amerinet's data driven solution, providers can use UNSPSC codes to run spend analysis by category or to identify UNSPSC codes that match item master line items. Additionally, provider members use the UNSPSC codes to populate the classification field in the MMIS. For more information contact: Lisa DiMuccio-Conway at 724-772-8388, conwayl@amerinetcentral.org

Global Healthcare Exchange, LLC:

Global Healthcare Exchange, LLC (GHX) adopted the United Nations Standard Product and Services Code (UNSPSC) as the standard for classifying products in its AllSource™ product content repository three years ago. Since then, many of its participating hospitals have contracted with GHX to classify products according to the UNSPSC taxonomy. As more products are assigned UNSPSC codes, hospitals and other healthcare providers can use the supplier-verified data in AllSource not only to improve the accuracy of their transactions, but also to gain a better understanding of what they are spending, on what, with whom, by whom and for what purpose. With this information, hospitals can more strategically focus their cost improvement efforts. Many providers also use the codes to cross reference product costs to expense codes in order to track costs by procedure, doctor, and/or facilities. For more information contact Karen Conway at 720-887-7215. kconway@ghx.com

MedAssets:

The leader in improving healthcare providers' margin and cash flow through revenue cycle and supply chain initiatives has fully adopted and implemented the UNSPSC. By leveraging the standardized classification system throughout our Supply Chain and Revenue Cycle technology solutions customers trace the impact of a supply item from order through to patient billing. Customers can search by UNSPSC in an e Catalog, perform in-depth purchasing analysis and map their charge master by UNSPSC. In addition, MedAssets provides full UNSPSC classification as part of their Master Item File services. For more information contact Michael Hayes at 720-407-1746, mhayes@aspenhealthcare.com

Novation:

Novation, the industry leading health care contracting services company, provides VHA and UHC members with online contract management and analytical tools that improve purchasing decisions and procurement processes. An important component of this offering is the ability for materials departments to locate products for contract conversion. One way this can be accomplished is by using the Novation Contract Catalog to search by UNSPSC commodity categories. Currently, more than 450,000 Med-Surg products are categorized by UNSPSC. This information can be downloaded from the Novation Contract Catalog and uploaded into the MMIS allowing members to track and analyze their purchases by the classification code.

Moving forward, UNSPSC is at the foundation of future offerings being developed for VHA and UHC members. Applications and services are in development that will assist members in analyzing their global supply spend by category, assisting in identifying savings opportunities and cost reduction. For more information contact Justin Hibbs at 972-581-5141, jhibbs@novationco.com

Premier Inc.:

As an early adopter of UNSPSC, Premier Inc. has implemented UNSPSC codes for 1.2 million manufacturer-based products. Beyond that, Premier has linked UNSPSC codes to 1 million related distributor cross-referenced products. Users of Premier's online catalog can search for products using the UNSPSC taxonomy. Products are categorized to the commodity level, which is the deepest level of detail in the taxonomy. In addition, Premier was instrumental in building out the Pharmacy categories of the UNSPSC and is currently collaborating with GHX to complete the product categorization of the UNSPSC. For more information contact Hunter Kome at 704-733-5698, hunterkome@premierinc.com

About the Coalition for Healthcare eStandards, Inc.

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 GS1 US™

GS1 US, formerly the Uniform Code Council, Inc. ® (UCC®), is a not-for-profit organization dedicated to the adoption and implementation of standards-based global supply chain solutions. Under its auspices, GS1 US operates three wholly owned subsidiaries, EPCglobal US™, RosettaNet, and SYNC™. GS1 US also manages the United Nations Standard Products and Services Code® (UNSPSC®) for the United Nations Development Programme. EPCglobal Inc. is a joint venture of GS1 US and GS1 (formerly EAN International). GS1 US-based solutions, including business processes, Extensible Markup Language (XML) standards, Electronic Data Interchange (EDI) transaction sets, and the bar code identification standards of the EAN. UCC System is currently used by more than one million member companies worldwide. For more information about GS1 US, please visit: www.gs1us.org GS1 US is headquartered in Lawrenceville, NJ USA

For more information contact: Peggy Brody, Director of Communications, Coalition for Healthcare eStandards (CHES) at 734-677-3300 or Peggy@CHeStandards.org. Visit the CHeS website at www.CHeStandards.org or www.unspsc.org