

# HOW ERP SOFTWARE CAN SUPPORT THE BATTLE AGAINST THE OPIOID EPIDEMIC

Pharmaceutical distributors are turning to ERP to manage opioid distribution

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The most recent misuse of opioids in the U.S. is a crisis that originates from the late 1990s but has accelerated significantly in recent years. More than 115 people in the US die every day from overdosing on opioids, with overdoses increasing 30%, and even up to 54% in certain regions, from 2016 to 2017. What's more, it's not uncommon for prescription opioids to lead to problems such as heroin addiction. It's estimated that 80% of people who use heroin today first misused prescription opioids.

This crisis remains an unresolved issue, while death rates from overdoses continue to climb across the country. It's not surprising that the opioid epidemic is particularly difficult to get under control, considering the complex ecosystem of organizations that play a part. From pharmaceutical distributors to regulatory agencies,

to the prescribing doctor all the way down to the patient, every entity needs to identify ways to help get the crisis under control. With no immediate solution to the multifaceted problem, the US Drug Enforcement Agency-mandated (DEA) requirements to track Schedule 2 drug sales, which include opioids, is a step in the right direction; however, the industry must consider proven alternatives to support better management of opioid supplies. For pharmaceutical distributors, Enterprise Resource Planning (ERP) software can be an effective tool to help fight this nationwide crisis.

ERP is a business management software that integrates core business processes into one manageable platform. It's often comprised of different applications that organizations can use to collect, manage and interpret

data to help manage businesses more efficiently and accurately. While many pharmaceutical companies have ERP systems, the data management, reporting and analytical capabilities are just starting to be applied to better manage opioid distribution.

The DEA requires all pharmaceutical distributors to submit Controlled Substance Ordering System (CSOS) transaction data using a specific reporting format for all controlled substances, including opioids, based on Food and Drug Administration (FDA) regulations. These reports must be submitted to the DEA within two business days of order fulfillment. Pharmaceutical customers have strict limits on the quantities of controlled substances they can purchase, and these reports enable tracking that help ensure that those parties don't purchase

more than allowed. The challenge is that most pharmaceutical distributors create these reports manually. Having to sift through a multitude of data points and cross-reference past reports and purchasing orders increases the probability of human error, which can lead to inaccurate reporting. ERP can track and digitally sign every transaction, as well as store data on how many controlled substances have been purchased and how that matches up to allowance. Being able to automatically pull this data within seconds is not only saving companies significant time, but also ensuring that data they're reporting to the DEA is accurate. Some ERP software includes the CSOS reporting format, so these reports can be generated and shared immediately with the DEA.

ERP software not only makes laborious, complex reporting more efficient, but it also has the capability to analyze vast amounts of data. This data

can unlock powerful insights automatically, and alert distributors of patterns that can prove useful in monitoring suspicious activity. For example, ERP systems can track every purchase made, and if a customer purchases higher amounts of opioids than normal multiple months in a row, the system can alert the distributor of the abnormal pattern. The distributor can then look into why this might be happening, and alert proper authorities if abnormal or illegal purchases are being made. ERP systems can store supplier and purchaser information securely, including their licenses and allowances. If a supplier or purchaser attempts to buy a drug without the appropriate license, or if they buy an amount that triggers their Suspicious Order Monitoring (SOM) system that alerts the distributor, who can then alert proper authorities. These analytics tools can also be useful in identifying potential problem areas relating to the opioid crisis. For example, if buyers from one region

of the U.S. are purchasing more opioids than normal, it could help to pinpoint specific problem areas that need to be addressed. The increased visibility and analytics insights can help regulate those who are abusing their licenses and encourage more responsible opioid distribution.

While there are many entities involved with the prescribing, purchasing and distribution of opioids, it's without question that everyone must do their part to help fight the ongoing opioid crisis. ERP software is just one-way pharmaceutical distributors can help fight the opioid crisis, but it's a powerful tool that is already at the hands of many companies. Having an updated ERP system with analytics capabilities, and even better, specific pharmaceutical reporting and monitoring capabilities, is critical to maximizing the value of ERP software.