



April 7, 2009

The Honorable Kathleen Sebelius  
Secretary-Designate  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

Dear Governor Sebelius:

Congratulations on your nomination as Secretary of the U.S. Department of Health and Human Services. The American Society of Health-System Pharmacists (ASHP) supports your nomination, and looks forward to working with you on a range of issues relating to safe, effective, and cost-conscious medication use and health care reform. ASHP is the national professional association representing over 35,000 pharmacists who practice in hospitals and health systems.

I would like to bring an important issue related to the National Drug Code (NDC) to your attention because it influences the ability of health care organizations to improve patient safety and the quality of care.

The National Drug code (NDC), which is currently used as the universal product identifier for human drugs, has presented significant challenges to the implementation and use of electronic prescribing, transferring medication-related information across the continuum of care, keeping data repositories synchronized, accounting for 340B drug pricing program compliance, and using bar coding at the point of care for medication administration.

The current NDC system was designed to facilitate the processing of third-party prescription drug claims and the distribution of products from manufacturers to wholesalers and pharmacies. It was never intended to meet the needs of clinical information systems, which require a drug vocabulary system that supports multiple levels of abstraction. Limitations of the NDC system include inconsistency in the structure of the NDC, the lack of an authoritative list of NDCs, arbitrary limits on NDC content, and the absence of an avenue for public input into the NDC assignment process to suggest potential improvements.

ASHP believes that a standardized drug coding system is needed that can be effectively used across the medication-use continuum. The lack of consistency by drug manufacturers in how they use the NDC and bar codes interferes with the pharmacy's ability to track medications and implement point of care computer programs, impacting significantly on patient safety. Solving this complex challenge involves a multi-pronged approach, and we wanted to make you aware of our concerns as we continue to advocate for a new approach to the drug coding system. I have included ASHP's policy on this matter in order to further elucidate the issues related to the NDC.

**TOGETHER WE MAKE A GREAT TEAM**

Kathleen Sebelius  
U.S. Department of Health and Human Services  
April 7, 2009

The ASHP national survey on informatics, performed in 2007, and included as an attachment to this letter, further demonstrates the need for consistency in bar-coding.<sup>1</sup> The survey found that 29.9% of U.S. hospitals use bar-coding for inventory control, and 24.1% of hospitals use bar-code medication administration systems. For hospitals that use robot or bar code medication administration, 39.1% of doses need to be repackaged. Therefore, lack of consistency in how manufacturers use bar codes has a large impact on medication administration and patient safety.

The cooperation of several government agencies, including the National Institutes of Health via the National Library of Medicine, which produces RxNorm, the Food and Drug Administration, which maintains the NDC directory, and the Centers for Medicare and Medicaid Services, a major payer with regulatory authority over e-prescribing, is required as we continue to address the issue. However, the Obama Administration's recently passed stimulus package places the Office of the National Coordinator for Health Information Technology in a prime position to examine and act on this issue, and we are happy to provide further information and clarification to Dr. David Blumenthal.

We look forward to working with you as we move toward supplementing or modifying the NDC system with a coding system that can be effectively used across the medication-use continuum. Feel free to contact Justine Coffey, Director of Federal Regulatory Affairs, if you have any questions regarding this letter. She can be reached by telephone at 301-664-8702, or by e-mail at [jcoffey@ashp.org](mailto:jcoffey@ashp.org). Again, congratulations on your appointment. Please consider ASHP and our 35,000 members as your resource on all medication-use related matters.

Sincerely,



Henri R. Manasse, Jr., Ph.D., Sc.D.  
Executive Vice President – Chief Executive Officer

cc: David Blumenthal, MD

Enclosures

---

<sup>1</sup> Pedersen CA, Gumper KF ASHP national survey on informatics: Assessment of the adoption and use of pharmacy informatics in U.S. hospitals—2007. *AJHP* 2008; 65:2244-64