

Golden State Medical Supply Selects IBM Technology To Comply with California Prescription Drug Pedigree Regulations

ARMONK, NY and Camarillo, CA – April 15, 2008: IBM (NYSE: [IBM](#)) and contract manufacturer Golden State Medical Supply (GSMS) today announced GSMS will be ready to comply with California's landmark prescription drug pedigree regulations this year. GSMS is using IBM technology to manage serialized drug pedigree information and offer new services to their customers.

The California Board of Pharmacy recently gave the pharmaceutical industry a two-year extension to January 1, 2011 to comply with its regulations, which are the first of their kind. The GSMS-IBM collaboration will be ready to begin this summer though, well in advance of the original effective date.

The issue of the safety of the world's prescription drug supply is continuing to gain attention. The Center for Medicines in the Public Interest projects that global revenues lost due to counterfeit drug sales will reach \$75 billion by 2010, a 92 percent increase from 2005.

"We applaud the efforts of any company that continues to work toward meeting the original 2009 deadline for compliance with California's electronic pedigree system," said Virginia Herold, executive director of the California State Board of Pharmacy. "We believe the California law for electronic pedigree is the most effective means to add security to the pharmaceutical supply chain,"

In addition to enabling GSMS to act in accordance with new and emerging ePedigree regulations, IBM's Solution for Pharmaceutical Track & Trace will give GSMS the technology infrastructure it needs to offer new services for the pharmaceutical industry. For example, the company could provide ePedigree compliance services to manufacturers that have not yet determined how they will comply with the impending California regulations.

"We chose to team with IBM because GSMS is committed to protecting the pharmaceutical drug supply. The issue of counterfeit drug sales is an important one for our industry and our work with IBM reflects our desire to be part of the solution" said Jim Stroud, president and CEO, GSMS Medical Supply Inc.

"Golden State Medical Supply's selection of IBM for this project shows that our Pharmaceutical Track & Trace Solution is as viable for small and mid-sized operations as it is for the titans of the pharmaceutical industry," said Christian Clauss, director of sensor network solutions, IBM.

The solution IBM is providing to GSMS will be comprised of software, hardware, and services. The ePedigree capability will be provided by the IBM WebSphere RFID Information Center, a high performance data repository that allows companies to manage and share information with trading partners to authenticate pharmaceuticals. The product is compliant with both GS1 EPCglobal's Electronic Product Code Information Services (EPCIS) standard, and its Drug Pedigree Standard. In addition to using the software for ePedigrees, GSMS will be able to use it to address business needs such as chargeback resolution and expiration management.

Serialized drug pedigree information will be provided to the WebSphere RFID Information Center by the IBM WebSphere Premises Server. The Premises Server will enhance key business processes in GSMS' packaging facility and distribution center using 2D barcodes, RFID and other types of sensors.

The software will be run on IBM System x servers, which will be provided by IBM Business Partner Direct Systems Support.

About Golden State Medical Supply, Inc.

In business since 1986, Golden State Medical Supply, Inc. is a contract manufacturer licensed by the California State Board of Pharmacy to sell pharmaceuticals to our valued partners in the medical industry. For more information, visit www.gsms.us.

About IBM

For more information on IBM's Solution for Pharmaceutical Track & Trace, visit <http://www-03.ibm.com/solutions/businesssolutions/sensors/doc/content/solution/1624269129.html>