



Position Statement  
E-Commerce Collaborations

Driving Efficiencies in the Health-Care Supply Chain

Baxter views e-commerce as a key enabler for driving cost-savings and efficiencies in the health-care supply chain. The two most common forms of e-commerce are Electronic Data Interchange (EDI), which provides a direct connection between provider and supplier computer systems, and Internet-commerce, which connects many buyers and sellers via a common technology platform. Baxter supports both of these e-commerce solutions based on individual customer needs.

For several years Baxter has been working with customers through EDI, which allows them to electronically place orders and receive invoices. In March 2000, Baxter joined five other leading health-care suppliers in establishing the Global Healthcare Exchange (GHX), the first Internet-exchange for the health-care industry. Baxter has chosen to offer Internet-based solutions through GHX for the following reasons:

- It is customer driven and intended to cover only the costs of operation and the development of new products and services for customers;
- It supports a common platform that can be leveraged by the entire industry, alleviating the cost and complexity of investing in and using multiple technology platforms;
- It provides one single point of entry for all health-care trading partners, including direct access to a broad base of suppliers;
- It conforms to stringent data privacy and security measures, ensuring that only our customers and us have access to transaction data. Baxter will not grant third parties access to that data, allowing customers to choose to whom they make their data available.

In addition, the GHX connection provides our customers with quick and easy access to our complete catalog information, around-the-clock access to real-time product pricing, availability and order status, as well as many other features that help drive efficiencies and cost savings in the supply chain. Our customers may connect directly to GHX to receive these e-commerce benefits or they may ask their Internet-commerce provider to connect through GHX.

We also believe that e-commerce offerings must be cost effective, which is why we have chosen to support these two e-commerce vehicles. We will not incur incremental costs in deploying e-commerce and will not pay fees to Internet-based solution providers that can be misinterpreted as a violation of safe harbor statutes.

As the Internet transforms the health-care industry, Baxter intends to be a leader in making that happen for the benefit of patients and health-care providers worldwide. We will continue to explore and introduce e-commerce options to drive efficiencies and cost savings in the health-care supply chain and in support of providing optimal care to patients.