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GAO ANALYSIS POINTS TO SEVERAL STUDIES DEMONSTRATING BILLIONS IN HEALTH CARE GPO SAVINGS

Washington, D.C. (March 2, 2010) – The Health Industry Group Purchasing Association (HIGPA) President Curtis Rooney today issued the following statement regarding the billions in cost savings that health care group purchasing organizations (GPOs) provide to hospitals, nursing homes, patients and taxpayers, as outlined in the Government Accountability Office (GAO) letter to Senator Grassley (R-IA), “*Group Purchasing Organizations: Research on Their Pricing Impact on Health Care Providers.*”

“A comprehensive review of all academic studies and published literature on the health care group purchasing industry demonstrates that GPOs save the health care industry billions of dollars annually, reducing costs for hospitals, nursing homes, patients, and taxpayers. These significant price discounts are the reason that nearly all hospitals in the United States choose to partner with GPOs to purchase the highest quality medical equipment.

“Academic studies show that GPOs save the U.S. health care industry up to \$36 billion in annual price discounts and over \$2 billion annually in human resource costs. Compared to direct purchases from medical device companies, GPOs save hospitals an average of 10-18 percent.

“GPOs help hospitals supply the highest quality patient care by providing cutting-edge medical equipment at an affordable cost. Without the significant price discounts that GPOs provide, many small, rural hospitals would not be able to afford the medical equipment necessary to perform many advanced procedures in-house, or provide the highest quality life-saving emergency response.”

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About HIGPA

The Health Industry Group Purchasing Association (HIGPA) is a broad-based trade association that represents 16 group purchasing organizations, including for-profit and not-for-profit corporations, purchasing groups, associations, multi-hospital systems and healthcare provider alliances. HIGPA’s mission is to advocate on behalf of health care group purchasing associations, to provide educational opportunities designed to improve efficiencies in the purchase, sale and utilization of all goods and services within the health industry and to promote meaningful dialogue between GPOs. For more information, visit www.higpa.org.