



**For Immediate Release**

Media Contact: Caroline Fuchs  
(202) 367-1253  
cfuchs@smithbucklin.com

**A Promise to Reduce Health Care Costs Today and Tomorrow  
Group Purchasing Organizations Save Nation Over \$36 Billion Annually**

**WASHINGTON, D.C.//May 26, 2009//**As President Barack Obama and members of his administration continue to work with the health care industry to rein in runaway medical costs, they should take a closer look at the largely unheralded work of ‘group purchasing organizations’ (GPOs), which already are achieving over \$36 billion in annual health care and related cost savings in the United States, according to a recent study of over 420 hospitals and three million hospital admissions. This study, by Dr. Eugene S. Schneller, principal Health Care Sector Advances, Inc. and professor at the Arizona State University School of Health Management and Policy, makes it clear that there are further potential savings that could be achieved through wider use of GPOs.

Curtis Rooney, president, Health Industry Group Purchasing Association, said: “Group Purchasing Organizations support President Obama’s call for providing high quality, affordable health care for every American. As the President continues to work with industry to contain escalating health care costs, we can promise to work with hospitals and service providers to maximize efficiencies and savings in the health care system while improving quality. There is more that GPOs can do...and we want to work with the President and Congress to get the job done right.” Rooney added: “Coordinated cost containment is a lifesaver—often the difference between hospitals staying open or closing. GPOs allow hospitals to devote scarce dollars to what they do best—care for patients.”

Group purchasing organizations are large national organizations and smaller regional entities that achieve health care cost savings by aggregating their health care buying volume and then using that leverage to negotiate discounts with manufacturers, distributors and other vendors. GPOs provide sourcing for pharmacy, orthopedic, housekeeping and other clinical products. GPOs negotiate on behalf of hospitals and affiliated health care providers to contract for the highest quality and best value in their purchase of supplies and services. In addition to their contracting efforts, GPOs allow hospitals and other health care providers the ability to promote standards and “best practices” across the health care supply chain.

For additional information about controlling health care costs, visit: <http://www.GPOsSaveMoney.org> on the Web.

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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](http://www.higpa.org).