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**HSCA STATEMENT ON PRESIDENT’S FY 2014 BUDGET AND ON THE CRITICAL ROLE OF GPOs IN
HEALTHCARE COST CONTAINMENT**

*Group Purchasing Organizations are Critical Cost-Savings Engines for America’s Hospitals, Medicare
and Medicaid and Taxpayers*

Washington, D.C. (April 10, 2013) – Healthcare Supply Chain Association (HSCA) President Curtis Rooney today issued the following statement on President Obama’s FY2014 budget, highlighting the critical role of healthcare group purchasing organizations (GPOs) in achieving billions in cost savings for hospitals, Medicare and Medicaid programs and American taxpayers:

“The President’s proposed budget and the continued congressional focus on deficit reduction underscore the importance of the billions in healthcare cost savings that group purchasing organizations deliver every year across the healthcare system, particularly to hospitals, Medicare and Medicaid.

“GPOs are a critical private-sector cost containment solution for hospitals. Hospitals are facing increasing budgetary pressures and are relying on their GPO partners to deliver the best products at the best value every day. Potential cuts to the Medicare program as part of deficit reduction efforts will make the pressure on hospitals even more acute.

“By offering cost-effective solutions, GPOs are able to help hospitals and healthcare providers preserve patient access to affordable and effective care. The group purchasing industry looks forward to continuing to work with the Administration and Congress to drive down costs, and to identify additional areas in the supply chain, where hospitals and the government can achieve further cost savings.”

GPOs achieve billions in savings annually by using high-volume purchasing methods to secure discounts for hospital partners. Recent studies indicate that GPOs will save Medicare \$104 to \$230 billion from 2008 to 2017, and will save Medicaid between \$74.1 and 162.5 billion during the same period.

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About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association, formerly the Health Industry Group Purchasing Association, is a broad-based trade association that represents 14 group purchasing organizations, including for-profit and not-for-profit corporations, purchasing groups, associations, multi-hospital systems and healthcare provider alliances. HSCA’s mission is to advocate on behalf of healthcare 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.supplychainassociation.org.