



36 South State Street, 22nd Floor  
Salt Lake City, UT 84111-1486  
801.442.2000

Charles W. Sorenson, Jr., M.D.  
President and Chief Executive Officer

September 1, 2009

The Honorable Orrin G. Hatch  
United States Senate  
104 Hart Senate Office Building  
Washington, DC 20510

Fax: 202-224-6331

Dear Senator Hatch:

Intermountain Healthcare relies on **MY GPO** as their purchasing partner. Group Purchasing Organizations (GPOs) such as **MY GPO** aggregate provider purchasing power and use that leverage to negotiate discounts with manufacturers on their behalf. GPO's play a critical role with all providers in contracting for the "best value" in supplies, and to improve service and quality, by partnering with clinicians to evaluate products that are the best for their patients.

Recent studies by Health Care Sector Advances, under the direction of Eugene S. Schneller, Ph. D. (enclosed), demonstrate that this partnership delivers approximately \$36 billion in annual cost reductions to the nation's hospitals; these are savings that provide us with the price protection and savings necessary to devote more of our scarce resources to patients. Savings are also generated beyond product pricing. It is estimated that an additional \$1.8 billion dollars would be required nationally on an annual basis for human capital to negotiate contracts on an individual facility basis.

On behalf of Intermountain Health Care, which as you know owns and operates hospitals, clinics and surgery centers throughout Utah, I strongly urge Congress to avoid any restrictive legislation affecting GPOs. These actions would only reduce access and increase the cost of care. As we approach healthcare reform, please know that I believe that changing the way GPOs work at this time would be a step in the wrong direction.

Sincerely,

A handwritten signature in black ink that reads "Charles W. Sorenson MD".

Charles W. Sorenson, M.D.  
President and Chief Executive Officer

Cc: Bill Barnes  
Chris Coons

Enclosure