



PREFERRED SURGICAL PRODUCTS

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June 15, 2010

The Senate and the House of Representatives  
The United States Capitol  
East Capitol Street, NE and 1st Street, NE  
Washington, D.C. 20002

Dear Congressmen:

Preferred Surgical Products (PSP) is a small woman-owned company. We supply infection prevention products used in surgery. As a small company with limited resources, we have found our Group Purchasing Organization partners invaluable in leveling the playing field with larger suppliers. GPO support has allowed us to gain contact with key hospital decision-makers. Each of our GPO partners has a designated diversity division with a sole focus to help build small diverse businesses. Without this support and focus, we would not have earned the market share we have and, in turn, grown our business the way we have.

When considering any restrictive legislation of a GPO's role in the healthcare supply chain, I would ask that you weigh the value these organizations bring to limiting the power of large multi-billion-dollar suppliers. The major-device corporations continue to merge, creating massive companies that dictate fewer choices for hospitals, more leverage across product categories, and cozy partnerships with distributors. By controlling so many links in the supply chain, they can leverage their strength to influence hospitals to buy at a higher price. Their monopoly stifles competition and squeezes out more innovative, more competitively-priced smaller manufacturers. GPOs work diligently to level this playing field by trying to contract with a diverse supplier in each and every category.

I would suggest that since most Health Care Providers benefit from the overall Medicare and Medicaid reimbursement, both Congress and State legislatures should consider legislation to hold hospitals accountable for doing their fair share to support Women-Owned and diverse manufacturers just as our valued GPO partners do.

Sincerely,

A handwritten signature in black ink that reads 'Debbie Wooley'.

Debbie Wooley  
President



3 Office Park Circle Suite 320, Birmingham, Al 35223  
Office 205.423.8770 – Fax 205.423.8776