

# HSCA

HEALTHCARE SUPPLY CHAIN ASSOCIATION

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Innovators In Evidence-Based Sourcing

**2019**

*Annual Value Report*



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# 2019 Annual Value Report

## HSCA Members, Healthcare Providers, Policymakers, and Healthcare Supply Chain Stakeholders:

HSCA represents the nation's leading healthcare group purchasing organizations (GPOs), the sourcing and purchasing partners to virtually all of America's 7,000+ hospitals, as well as the vast majority of the 68,000+ long-term care facilities, surgery centers, clinics, and other healthcare providers. We help our healthcare provider partners improve patient health, reduce costs, and increase innovation throughout the healthcare system.

I joined HSCA as President and CEO this past year, and I have already seen firsthand the ways in which GPOs are shaping the supply chain. GPOs are delivering the best products at the best value, allowing healthcare providers to focus on their core mission: delivering first-class patient care.

For the past 20 years, I've had the privilege of working to improve the lives of patients at various points in the healthcare system, most recently working to support access to the latest medical technology innovations in the US and globally and, before that, alongside physicians working to support healthcare delivery and high quality patient care. I look forward to continuing to be an advocate for patient health, being a strong voice for the healthcare supply chain in Washington, serving as a resource to policymakers, and being a partner to you and other healthcare stakeholders.

This is the third HSCA Annual Report on the value that GPOs bring to the healthcare system and it confirms what hospitals, healthcare providers, suppliers, and policymakers see every day: GPOs reduce healthcare costs; increase competition; drive transparency, visibility, and predictability; propel improvements to healthcare processes and systems; and, add value to suppliers.

GPOs are critical cost-savings engines for healthcare providers and the patients they serve. HSCA member companies are projected to save the healthcare system \$34.1 billion annually with \$456.6 billion savings generated over a ten-year period from 2017-2026 and reduce supply-related purchasing costs to nursing homes and hospitals, and other providers by 13.1% compared to providers who do not use GPO services.

While cost-savings and delivering the best products at the best value remain central to the GPO core mission, hospitals and healthcare providers are increasingly relying on GPOs for a broad range of services beyond cost-savings to achieve superior patient outcomes. GPOs are working with their provider members to provide services including data analysis and benchmarking, market research, innovative technology integration, infection control, electronic product tracing, and the development and facilitation of communities of knowledge among healthcare providers and supply chain experts to share best practices. GPOs are on the front lines of many of the most significant challenges and trends facing hospitals and healthcare providers, including the shift to value-based purchasing, emergency preparedness, disaster response, drug utilization, and energy management. Collectively, GPO services lead to increased efficiencies, better use of staff, and lower total costs.

HSCA and its GPO members are zealous policy advocates on behalf of their provider members and patients across the country. Our approach is anchored in a commitment to common-sense policy solutions that lower costs and increase competition and innovation in the healthcare marketplace. We are working with key stakeholders to help combat ongoing

prescription drug shortages, to mitigate the high cost of pharmaceuticals, including price spikes for generic drugs, and to increase safe and affordable access to life-saving treatments through biosimilar drugs.

As we look ahead to 2020 and beyond, HSCA and its members remain committed to helping hospitals and healthcare providers deliver the most effective and affordable care possible to the patients they serve.

Sincerely,

Khatereh Calleja, JD  
President and CEO  
Healthcare Supply Chain Association (HSCA)

## Executive Summary

The Healthcare Supply Chain Association (HSCA) represents 13 of the nation's leading healthcare group purchasing organizations (GPOs), which are critical cost-savings partners to America's hospitals, physician offices, nursing homes, nursing home pharmacies, clinics, assisted living facilities, infusion pharmacies, home healthcare providers, surgery centers, and other healthcare providers. GPOs deliver billions in savings annually to healthcare providers, Medicare and Medicaid, and taxpayers. HSCA and its member GPOs are committed to delivering the best products at the best value to healthcare providers, to increasing competition and innovation in the market, and to being supply chain leaders in transparency and accountability. This is the third HSCA Annual Report on the value GPOs bring to the healthcare system.

The past several years have been challenging in healthcare, and last year was no different. For the healthcare providers who are members and customers of HSCA member GPOs and the patients they serve, continued increases in the prices of some pharmaceuticals, as well as shortages, particularly for sterile injectables, threatened patient care for some of the most vulnerable patients. Healthcare continues to be a hot button issue and policymaking efforts at both the federal and state levels to make changes continue to create significant uncertainty for patients, providers, and payers.

Still, GPOs continue to bring value and innovative products and approaches to the U.S. healthcare system. In addition to delivering cost savings, GPOs provide value beyond cost savings. GPOs work to support quality and reliability throughout the healthcare system and help healthcare providers have the products they need when they need them.

HSCA member GPOs continue to be leaders in preparing for the challenges of healthcare delivery, as well as facilitating positive disruption by connecting organizations and patients to innovation. This HSCA Annual Report briefly describes those efforts.

## GPOs deliver billions of dollars in cost-savings to the entire healthcare system

- GPOs save the entire healthcare system \$34.1 billion annually, and will save the healthcare industry \$456.6 billion over the next ten years (2017-2026).
- GPOs reduce supply-related purchasing costs to nursing homes and hospitals by 13.1% compared to providers who do not use GPO services.
- GPOs deliver cost-savings through in a variety of ways including up-front pricing discounts, reduced administrative costs, and product standardization.

## GPOs generate significant cost-savings for Medicare and Medicaid

- GPOs generate \$8.7 billion annually in Medicare cost savings and will save Medicare \$116.3 billion over the next ten years.
- GPOs save Medicaid \$6.8 billion annually and will generate \$90.1 billion in Medicaid cost-savings over the next ten years.

## GPOs provide value beyond cost-savings to the entire healthcare system

- In addition to delivering cost-savings, GPOs improve care quality and ensure that hospitals and providers are delivered the appropriate supplies for each patient.
- Collectively, GPO services lead to increased efficiencies, better use of staff, and lower total costs that benefit providers, patients, and the entire healthcare system.

## Survey data and CMS figures affirm GPO cost-savings

- To help determine GPO cost-savings, researchers surveyed hospital and nursing home provider networks that used GPO services in their purchases and received responses from stakeholders representing 530 facilities with a total business volume of \$59.7 billion.
- Researchers combined the survey data with the National Health Expenditure (NHE) data published by CMS.
- The study also incorporated updated estimates from the Federal Register on the non-labor proportion of hospital and nursing home spending to ensure an accurate representation in the data.

## HSCA OVERVIEW

The Healthcare Supply Chain Association (HSCA) is a broad-based trade association that represents 13 purchasing organizations. HSCA's group purchasing members include for-profit and not-for-profit corporations, purchasing groups, associations, multi-hospital systems, and healthcare provider alliances.

HSCA provides five main services to its members:

1. **Advocacy:** Work collaboratively with all legislative and regulatory authorities to ensure fair and efficient procurement practices in an open and competitive market within the health industry. Provide critical healthcare thought leadership to address healthcare challenges.
2. **Education:** Provide educational opportunities designed to improve efficiencies in the purchase, sale, and utilization of all goods and services within the health industry.
3. **Ethics:** Uphold the ethical conduct of business practices within the industry and the standards adopted by the Healthcare Group Purchasing Industry Initiative that are intended to strengthen the integrity of the healthcare supply chain.
4. **Information:** Enhance the awareness of members' efforts to support the delivery of high quality, cost-effective healthcare.
5. **Convener and Liaison:** Promote meaningful dialogue between health industry organizations engaged in group purchasing and other industry entities on issues of mutual interest.

## GPOS: DELIVERING SAVINGS, ADDING VALUE

Change is a constant in the healthcare industry, with new policies, ongoing technological advances, and transformative alliances, but regardless, healthcare spending continues. While 2019 was a big year for healthcare, GPOs continue to deliver savings to their member hospitals, ambulatory surgery centers, clinics, and numerous healthcare providers.

Supply and supply chain costs, such as procurement and inventory, are estimated to account for approximately one-third of hospital costs. GPOs help organizations manage those costs by lowering prices through contract negotiation and benchmarking, as examples, but also by offering value-adding services beyond the lowest price.<sup>i</sup>

HSCA member companies are saving their customers about 13.1% compared to the costs for providers who do not utilize GPO services. GPOs are projected to reduce total healthcare spending for hospital and nursing homes by up to \$456.6 billion over a ten-year period from 2017 to 2026.<sup>ii</sup>

GPOs' unique line of sight across the entire healthcare system means they are unparalleled in their ability to help their customers anticipate and respond to rapid changes. Whether introducing new and innovative technologies and products, helping mitigate and address drug shortages or national disasters, or simply negotiating competitive contract pricing, GPOs are focused on helping their members better serve patients, reduce healthcare costs, and increase efficiencies at the same time.



## HOSPITALS OVERWHELMINGLY SATISFIED WITH GPOS

Research conducted by supply chain experts at The Wharton School of the University of Pennsylvania affirms that hospitals are consistently—and overwhelmingly—satisfied with their healthcare group purchasing organizations (GPOs). The research was based on surveys of hospital supply chain executives by the American Hospital Association (AHA) and the Association for Healthcare Resources & Materials Management (AHRMM).

- Approximately 90% of all hospital executive respondents reported being satisfied or very satisfied with their national GPO.
- An overwhelming majority of hospitals believe that GPOs achieve demonstrable cost-savings and margin-improvement.
- Hospitals have become increasingly satisfied with GPOs' ability to achieve cost savings through contract administrative fees shared with the hospital, information technology, and centralized staffing, demonstrating GPOs ability to provide hospitals with cost-savings in ways beyond pricing.
- Hospitals have expressed significantly greater satisfaction with GPO services in clinical improvement, consulting services, clinical expertise, and data support for value analytics, direct input product and service selection, auditing for implant procurement, assisting with contract conversion for PPJs, and item master maintenance.

The research concluded that over an extended period of time, GPOs have continued “to play an important role in helping hospitals with both cost savings and new services” as well as maintaining consistent satisfaction levels.<sup>iii</sup>

## PROFILES IN INNOVATION

### Bringing new and innovative products and services to patients

Member GPOs responding to this year's member survey all agree that new and innovative suppliers and products are those that improve financial and/or clinical outcomes and streamline processes and/or increase efficiencies. GPOs encourage interaction with forward-looking facilities and invite cutting-edge companies to pursue contracting for these innovative products and services. Each member GPO has a specific and clearly outlined program or process through which "breakthrough" products are approved and awarded contracts.

*"...those possessing certain characteristics that significantly improve upon clinical outcomes, patient care, or the applicable standard of care based on sound empirical clinical evidence, or significantly streamline clinical and/or operational work processes..."*

*"...products or services that necessitate a change in clinical practice through streamlined processes or reduction in products necessary to achieve an improvement in a financial or clinical outcome..."*

*"...improves patient or healthcare worker safety; increases clinical outcomes; enhances non-clinical operational efficiencies; bridges a gap in care; offers a dramatic process-of-care cost savings..."*

*"...unique products and services that improve clinical outcomes, enhance patient or healthcare worker safety, or improve the business model of healthcare organizations..."<sup>iv</sup>*

All GPOs surveyed understand the importance of identifying new and innovative products and technologies to make them available as quickly as possible, with the end goal of increased efficiencies, improved clinical outcomes and advancing patient care. Many have developed policies or programs to speed these products to market.

## How are new and innovative products and suppliers identified

Members are invited to identify new and innovative products, and in some cases, products and suppliers come to the attention of member GPOs through interaction with academic medical centers and hospital members. Suppliers and manufacturers are also encouraged to apply for specific programs at certain GPOs, as described below.

For example, Premier has a Technology Breakthrough Program to help suppliers introduce groundbreaking technologies and products to their members without unnecessary delay. Following supplier submission of an application, an assessment team reviews the submission with an eye to the established criteria. If the submission meets the criteria, it proceeds to sourcing committee review where a contract decision is made.

Vizient hosts a similar program called the Innovative Technology Program, where discipline-specific groups of member-experts called “councils” review supplier applications to determine submissions that meet criteria as part of the program.

HealthTrust also has a similar process, explained in their New Technology Introduction policy, wherein the appropriate Member Advisory Board lead facilitates a comprehensive evaluation and recommendation to share with the Advisory Board who makes the final recommendation.<sup>v</sup>

## How many are there

Each responding member GPO strives to identify new and innovative products and suppliers. For example, one member GPO has identified over 45 new products each year for the past four years, representing over 18 new contracts. Another member GPO reports they have reviewed 115 technologies per year during the course of their program, resulting in 74 contracts from over 70 suppliers in a recent 12-month period.<sup>vi</sup>

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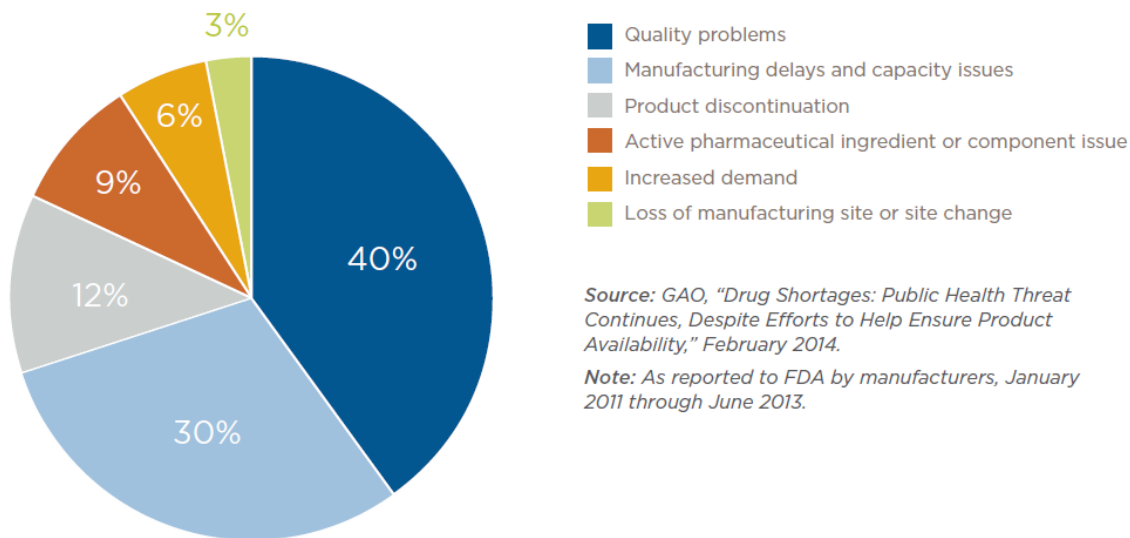
This year’s Annual Report includes multiple Profiles in Innovation in the form of success stories from member GPOs. See the Appendix to read more.

# HEALTHCARE TRENDS AND GPO RESPONSES

## DRUG SHORTAGES

While the number of drug shortages in the U.S. has recently stabilized, new shortages continue to be reported and ongoing shortages topped 200 in 2018, compared to 2007 when there were only 40 ongoing shortages. According to a November 2018 report titled “The Economics of Drug Shortages: Trends and Causes,” by Alex Brill of Matrix Global Advisors, “the factors driving shortages — and the remedy to shortages — primarily relate to manufacturers and regulatory oversight.”<sup>viii</sup> Chart 1 below, from the report, details six types of reported causes for these shortages. Notably, quality problems account for 40% of shortages and another 30% of shortages are caused by manufacturing delays and capacity issues.

Chart 1. Reported Causes of Drug Shortages



Source: Brill, A. “The Economics of Drug Shortages: Trends and Causes,” November 2018.

One member GPO has determined that a shortage in one strength of a drug can lead to increased usage of alternate strengths, which in some cases has led to a corresponding price increases on all strengths, presumably as manufacturers increase production.<sup>ix</sup>

## THE CASE OF INJECTABLE NARCOTIC SHORTAGES

A particularly concerning type of drug shortages occurred with injectable narcotics. Although controlling narcotics use—particularly outpatient prescription opioid abuse—remains a public health priority, injectable narcotics are a medical necessity for hospitals providing post-surgical and medical pain management. Hospitals and providers have experienced injectable narcotic shortages. Absent the necessary injectable narcotics, numerous medical procedures would have to have been canceled, endangering patient care nationwide.

Due to manufacturing delays, the primary manufacturer of some key injectable narcotics was unable to produce the required quantities of these drugs. Other manufacturers who were willing to come to the table to produce these medications to help mitigate the shortages were unable to do so, due to Drug Enforcement Agency (DEA) aggregate production quotas. The DEA began to take steps by temporarily increasing quotas for one manufacturer, but more action was needed.

HSCA recommended the DEA take additional steps to adjust aggregate production quotas for select injectable narcotics in order to alleviate the ongoing drug shortages facing hospitals and the patients they serve.<sup>x</sup> HSCA continues to lead efforts with stakeholders to address the unintended impact of the quota policies on needed institutional provider access to critical injectable drugs.

MEMBERS OF THE DRUG SHORTAGE WORKING GROUP	
America's Essential Hospitals	American Society of Health-System Pharmacists
American Hospital Association	American Society for Parenteral and Enteral Nutrition
American Medical Association	Children's Hospital Association
American Society of Anesthesiologists	Federation of American Hospitals
American Society of Clinical Oncology	Healthcare Supply Chain Association

### ADDRESSING DRUG SHORTAGES

Alongside work with the Food and Drug Administration (FDA) and HSCA comments and hearing testimony, HSCA formed a working group with several other organizations (see Box: Members of the Drug Shortage Working Group) to develop recommendations to address drug shortages in the U.S.<sup>xi</sup> Recognizing FDA leadership to address critical drug shortages, the Drug Shortage Working Group made six priority recommendations to comprehensively address drug shortages:

1. Encourage Early Drug Shortage Alerts and Ongoing Multi-Stakeholder Communications
2. Enhance Transparency Requirements for Drug Shortage Information
3. Strengthen Drug Shortage Disclosures
4. Preventing Manufacturing Shutdowns
5. Develop Manufacturer Drug Shortage Action Plans
6. Better Integrate FDA Drug Shortages List

*For more information, visit the HSCA website.*

## DRUG PRICING TRENDS

Preserving patient access to medications and reducing prescription drug prices remains top of mind. HSCA is committed to policies that increase competition in the marketplace and support patient access to affordable healthcare. HSCA provided comments to the Department of Health and Human Services on the “Blueprint to Lower Drug Prices”, including recommendations now being advanced on Capitol Hill to enhance patient access to affordable generic and biosimilar medicines.

Drug prices continue to be in the news and remain a concern for member GPOs and clients. Several member GPOs report lower price increases for the current year than the previous year, providing another benefit to their clients. For example, one member GPO is projecting a 2020 inflation rate that is approximately 0.4% lower than their 2019 projections, while another member GPO reports a similar projected rate. Yet another member GPO submitted data that reflects a lower average inflation rate for drug prices in 2017 as compared to 2016 and 2015. Through careful contracting, particularly on generics, one member GPO reported saving their members over \$4 million in 2018.

## CONCLUSION

Today’s GPOs continue to serve their members and play a key role in U.S. healthcare, by:

- Delivering billions of dollars in cost-savings to the entire healthcare system;
- Generating significant cost-savings for Medicare and Medicaid; and
- Providing value beyond cost-savings to the entire healthcare system.

## APPENDIX 1: PROFILES IN INNOVATION

While GPOs may be best known for providing savings and efficiencies for the organizations they work with, they are also drivers of innovation. HSCA member GPOs are always looking for forward-looking organizations and many run programs to help identify breakthrough products for patient care. By inviting cutting-edge companies to pursue contracting opportunities, GPOs are able to offer innovative products and services to healthcare facilities that the facilities would be unlikely to have the time to resource on their own. This year's report focuses on some of the success stories from our member GPOs in the area of innovation.

One such success story is a member GPO that was excited when a client received FDA approval for a specific heart failure device. After a period of review, including interviews of cardiovascular leaders in the local community, the GPO engaged the client to provide the implant at a reduced price. When provided to patients with a history of congestive heart failure, this device reduces readmissions through constant monitoring of pulmonary artery pressure.

In another breakthrough product success story, a vendor submitted a new product line, a unique hemostatic dressing impregnated with a special mineral, to one of our member GPOs. After the member council reviewed this product, the product line's fast hemostasis and lower complication rates earned this innovative technology firm a contract at the GPO. In the last two years, this company's sales have grown 300%. The innovative product company found the review and approval process offered by the GPO's breakthrough program invaluable and recommended participation to other companies with novel products:

*"Many small companies...frequently ask me, 'should a small company with minimal sales team really partner with a large GPO?' or they ask, 'is there really an ROI for the admin fees that are paid?' I always answer with a resounding 'YES'" to both questions. I cannot stress enough the value of what a partnership with [a large GPO] does for an organization, especially a small company. A partnership with [a GPO] becomes a pseudo-extension of your company, offering many untapped resources that, quite frankly, many companies just do not have in place or aren't sure how to take advantage of. Having a partnership in place... has been a 'compass in the jungle' for [our company] and we look forward to finding additional ways to strengthen our relationship and deliver high quality care for patients."*

While innovation is often associated with new technology or breakthrough products, innovation can occur in services or processes as well. An example of a member GPO innovating processes occurred recently in New York. When the New York State Safe Patient Handling Law went into effect on January 1, 2017, a member GPO was asked by a healthcare advocacy company to think through ways to improve patient handling in hospitals. The goal of the engagement was for the GPO to find companies who were able to assist hospitals in performing several tasks. Hospitals would need to be able to improve patient handling, so firms were needed who could help hospitals (1) assess their patient handling processes, (2) identify gaps in processes, and (3) train New York state hospital members in compliance with the new state guidelines. The GPO served as a connector to firms who could create comprehensive programs to improve these patient handling processes. Without the GPO, the giant task of identifying and contracting with companies who could help New York hospitals would have fallen to individual hospitals. In this case, the GPO performed the valuable work of streamlining the selection process, improving efficiencies for all New York hospitals.



## APPENDIX 2: HEALTHCARE GROUP PURCHASING INDUSTRY INITIATIVE

### HGPPI OVERVIEW

The Healthcare Group Purchasing Industry Initiative (HGPII) was established in 2005 by the nation's nine major healthcare group purchasing organizations (GPOs). These GPOs pledged to adopt and implement a set of principles for business ethics and conduct that acknowledges and expresses their responsibilities to the public as well as to government entities that fund healthcare services in the United States.

Healthcare GPOs are an essential link in the supply chain of healthcare providers such as hospitals, clinics, and other delivery organizations. GPOs aggregate the purchasing activity of their members, thereby lowering costs in both the purchasing activity itself and in the prices at which products and services are purchased. GPOs also enable members to coordinate the collection of data, facilitate an improvement of systems essential to the quality of care and reduce overall costs.

#### The HGPII Principles are:

1. Each Signatory shall have and adhere to a written code of business conduct. The code establishes high ethical values and sound business practices for the Signatory's group purchasing organization.
2. Each Signatory shall train all within the organization as to their personal responsibilities under the code.
3. Each Signatory commits itself to work toward the twin goals of high quality healthcare and cost effectiveness.
4. Each Signatory commits itself to work toward an open and competitive purchasing process free of conflicts of interest and any undue influences.
5. Each Signatory shall have the responsibility to each other to share their best practices in implementing the Principles; each Signatory shall participate in an annual Best Practices Forum.
6. Each Signatory, through its participation in this Initiative, shall be accountable to the public.

As they pursue these Principles, Signatories take a leading role in making the Principles a standard for the entire healthcare group purchasing industry, and a model for other healthcare industries.

## **APPENDIX 3: THE GPO SAFE HARBOR**

The federal Anti-Kickback Statute, originally enacted by Congress in 1972, specifically prohibits the knowing or willful solicitation, receipt, offer, or payment of remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward the purchase of an item or service for which payment may be made under a federal healthcare program. In response to concerns about the vague application of anti-kickback statutes, the Medicare and Medicaid Patient and Program Protection Act of 1987 directed the Office of the Inspector General (OIG) of the Department of Health and Human Services (HHS) to create 23 statutory and regulatory “safe harbors,” which carve out certain arrangements from the federal Anti-Kickback Statute. These are sometimes referred to as GPO Statutory and Regulatory Safe Harbors. Notably, in the discussions in the House of Representatives about which transactions should be granted a “safe harbor,” a Committee report indicated organizations that use these services believed GPOs reduce healthcare costs and that the services GPOs provide should be protected under a “safe harbor.”

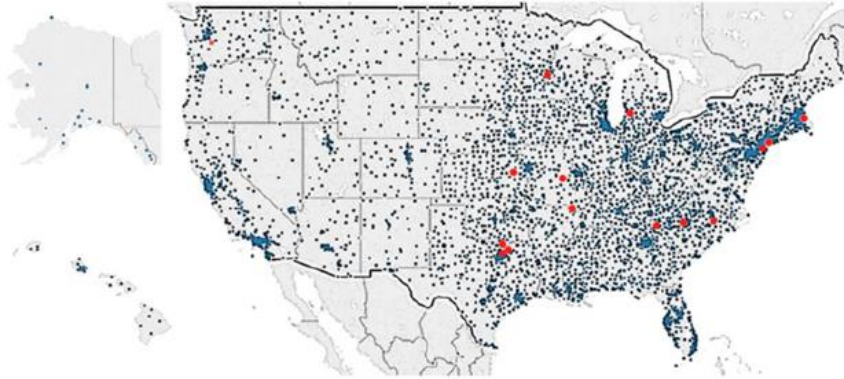
## APPENDIX 4: MARKETS SERVED BY HSCA MEMBER GPOS

### Markets Served by GPOs

Acute care hospitals
Alternate care sites
Ambulatory surgery centers
Clinics
Colleges/universities
Corporations
Dental
Developmentally disabled facilities
EMS/first responders
Home healthcare
Home infusion
Infusion pharmacies
Integrated delivery networks
K-12 schools
Long-term care
Long-term care provider pharmacy
Mental health facilities
Pediatrics
Physician practice
Prisons
Public health departments
Retail pharmacy
Small business
Specialty hospitals (rehabilitation, psychiatric, etc.)
Specialty pharmacy
Staff model HMO
State and local governments
Substance abuse treatment facilities
University student health
Veterinary

# APPENDIX 5: GEOGRAPHIC REACH OF GPOS

The Healthcare Supply Chain:  
Map of 7,000+ Acute Care Providers  
*98% of all U.S. Hospitalis utilize a GPO*



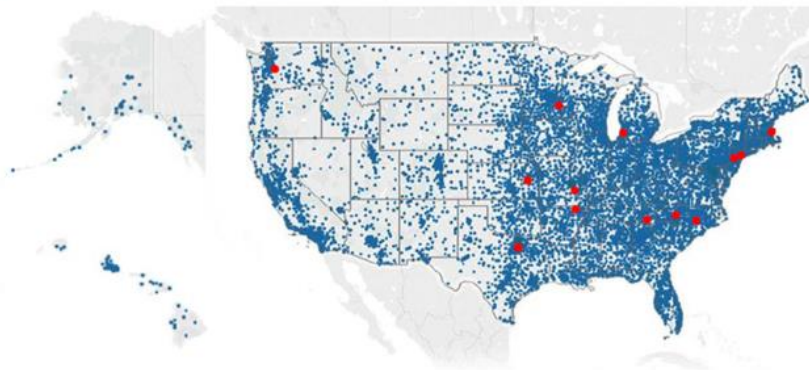
● GPO Member Providers

● HSCA Member Headquarters

Andover, MA | Asheville, NC | Brentwood, TN | Charlotte, NC | Irving, TX (2)  
Middleville, MI | Mission, KS | New York, NY (2) | Seattle, WA | St. Louis, MO  
St. Paul, MN

Data Provided by Definitive Healthcare: DefinitiveHC.com

The Healthcare Supply Chain:  
Map of 68,000+ U.S. GPO-Member Non-Acute Care Providers  
*Including long-term care providers, clinics, surgery centers, home health providers, and more*



● GPO Member Providers

● HSCA Member Headquarters

Andover, MA | Asheville, NC | Brentwood, TN | Charlotte, NC | Irving, TX (2)  
Middleville, MI | Mission, KS | New York, NY (2) | Seattle, WA | St. Louis, MO  
St. Paul, MN

Data Provided by Definitive Healthcare: DefinitiveHC.com

## APPENDIX 6: SERVICES PROVIDED BY HSCA MEMBER GPOS

### Services provided by GPO

Account management
Benchmarking data services
Biomed repair
Bulk buy programs
Clinical consulting: Preference items, pharmacy, dietary, radiology, etc.
Clinical evaluation and standardization
Competing services
Continuing medical education
Continuing pharmacy education
Custom committed contracting
Data analytics and custom reporting
Drug information communication
Drug shortage management
Electronic commerce
Environmental services (EVS)
e-Procurement services
Equipment repair services
Formulary assistance
Freight management services
Healthcare industry updates
Insurance services
Invoice auditing services including state audit assistance
Market research
Marketing of products or services
Materials management consulting
Materials management outsourcing
Membership input opportunities/programs (councils)
New technology forums
Patient safety services
Pharmaceutical hazardous waste handling
Purchased services program
Request for Bid process management, local to state-level agency coordination
Revenue management programs and services
Shared services integration
Stockpiling/emergency preparedness program
Supply chain analysis
Supply chain integration services
Supply chain strategic advisory services
Technology assessments
Telecommunications
Utility management services (energy, water, waste, etc.)
Warehousing services
Wholesaler distribution services management program

## APPENDIX 7: CONTRACTING CATEGORIES OF HSCA MEMBER GPOS

### Contracting categories of GPOs

Cardiovascular

Commercial products: Computers, copiers, office and cleaning products, etc.

Construction

Contraceptive products

Dental products and services

Diabetic syringes, needles and related products

Dietary

Diversity

Drug testing products and services

Energy: Contracts with producers/providers of electricity and natural gas

Environmental services

Executive resources and office solutions

Facilities management

HR benefits: Insurance, pre-employment background checks

Human resources

Influenza vaccines

Information technology

Interventional radiology

Invoice auditing

IV solutions and supplies

Laboratory equipment and supplies

Medical supplies and equipment

Nursing

Nutritionals

Operating room

Pediatric-specific products and services

Pharmaceutical hazardous waste handling

Pharmacy

Prescription filling service

Purchase services: Elevator maintenance, valet parking, lawn care, etc.

Radiology supplies and equipment

Repackaging services

Returned goods processing

Routine vaccines

Surgical supplies and equipment

Telecom

Vials and containers

Wholesaler distribution contracts

- i Burns LR, Briggs AD. Hospital purchasing alliances: Ten years after. Health Care Management Review. 2018.
- ii Dobson A, DaVanzo JE, et al. A 2018 Update of Cost Savings and Marketplace Analysis of the Group Purchasing Industry. Dobson DaVanzo & Associates. 2018.
- iii Burns LR, Briggs AD. Hospital purchasing alliances: Ten years after. Health Care Management Review. 2018.
- iv HSCA member organization survey responses. 2019.
- v HSCA member organization survey responses. 2019.
- vi HSCA member organization survey responses. 2019.
- vii HSCA member organization survey responses. 2019.
- viii Brill A. The Economics of Drug Shortages: Trends and Causes. November 2018.
- ix HSCA member organization survey responses. 2019.
- x Healthcare Supply Chain Association. Policy Position: Injectable Narcotic Shortages. March 2018.
- xi Drug Shortage Working Group. Proposals to Address Drug Shortages. December 2018.



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