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HEALTHCARE SUPPLY CHAIN ASSOCIATION (HSCA) STATEMENT ON GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRUG SHORTAGES REPORT

Washington, DC (July 11, 2016) – Healthcare Supply Chain Association ([HSCA](#)) President and CEO Todd Ebert, R.Ph., today released the following statement on the Government Accountability Office (GAO) [report](#), *Drug Shortages: Certain Factors Are Strongly Associated with This Persistent Public Health Challenge*:

“Critical prescription drug shortages continue to jeopardize patient access to healthcare and represent an ongoing and complex challenge for American hospitals, long-term care facilities, clinics, and other healthcare providers. The new GAO report confirms what healthcare group purchasing organizations (GPOs) and their provider members see every day: Manufacturing and quality control problems that disrupt supply are the primary cause of drug shortages; increased competition from suppliers is part of the solution to persistent shortages; and Food and Drug Administration (FDA) priority review of applications for sterile injectable drugs has been effective in helping to address some shortages.

“Generic injectable drugs are the workhorses of acute care facilities and bring tremendous value to healthcare providers and patients. GAO found that unique characteristics of the sterile injectable drug market – including a small number of suppliers, production complexity, and the regulatory approval process – may make these drugs more susceptible to shortages.

“HSCA and its members consistently advocate for policy solutions that reduce costs, increase competition, and remove barriers to market entry, including the FDA backlog of new drug applications. HSCA supports the Increasing Competition in Pharmaceuticals Act (S.2615), legislation that would mandate FDA priority review of new drug applications for products with only one manufacturer, and we urge Congress to mandate priority review for generic injectable drugs with two or fewer manufacturers.

“Healthcare providers and their GPO partners are taking a number of innovative steps to help address drug shortages. GPOs identify potential new suppliers and help them come to market. GPOs work with suppliers to identify anticipated provider purchase volume, which helps suppliers achieve sufficient profit margin to continue producing supply, and we communicate provider needs in advance so that manufacturers can plan production capacity and avoid shortage situations. GPOs track data on existing and potential drug shortages and, when shortages arise, GPOs help providers source and safely migrate to alternative products and manufacturers.

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“The GAO report affirms that, despite some progress, drug shortages remain a complex problem without an overnight solution. HSCA and its group purchasing organization members are committed to continuing to work with hospitals and other healthcare providers, policymakers, and all supply chain stakeholders to help mitigate this public health crisis.”

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About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association ([HSCA](http://www.HSCA.org)) represents the nation’s leading healthcare group purchasing organizations (GPOs), which are critical cost-savings partners to America’s hospitals, nursing homes, nursing home pharmacies, clinics, home healthcare providers and surgery centers. 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. For more information, visit www.supplychainassociation.org. Follow HSCA on Twitter @HSCA.

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