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HSCA APPLAUDS SLOWDOWN IN U.S. HEALTHCARE SPENDING; CITES CRITICAL ROLE OF GPOS IN HELPING TO CONTAIN COSTS FOR HOSPITALS AND LONG-TERM CARE FACILITIES

Washington, DC (January 7, 2014) – The Healthcare Supply Chain Association (HSCA) today applauded the [annual report](#) from independent economists at the U.S. Centers for Medicare and Medicaid Services (CMS) demonstrating that growth in U.S. healthcare spending remained low in 2012 for the fourth straight year. HSCA also highlighted the critical role of group purchasing organizations (GPOs) in delivering billions in savings to hospitals, Medicare and Medicaid, and the American taxpayer.

“Healthcare group purchasing organizations are critical cost savings engines for American hospitals, nursing homes, and other healthcare providers. GPOs work with their hospital partners every day to deliver the best, most innovative products at the best value, and GPOs save billions every year for hospitals, taxpayers and the Medicare and Medicaid programs,” said HSCA President Curtis Rooney. “HSCA is pleased with the slowdown in healthcare spending growth, but we know there is more work to be done. As hospitals and healthcare providers continue to face mounting financial pressure, they will rely even more on their GPO partners even more to provide critical cost savings, to identify and bring innovative medical products to market, and to help hospitals preserve patient access to affordable and effective care.”

GPOs achieve billions in savings annually by using high-volume purchasing methods to secure discounts for hospital partners. [Recent studies](#) indicate GPO savings to Medicare of \$104 to \$230 billion from 2008 to 2017, and Medicaid savings of between \$74.1 and 162.5 billion during the same period. In 2008 alone, GPOs generated overall savings of \$29 to \$64 billion for the healthcare system, according to one study. Of that, Medicare realized savings up to \$17 billion and Medicaid saved up to \$12 billion.

CMS actuaries released an [annual report](#) Monday demonstrating that, for the fourth consecutive year, growth in healthcare spending remained low, increasing by 3.7 percent in 2012 to \$2.8 trillion.

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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.