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**HSCA APPLAUDS FDA, GAO, HOUSE ENERGY AND COMMERCE COMMITTEE FOR LEADERSHIP,
NEW REPORTS ON EFFORTS TO COMBAT CRITICAL PRESCRIPTION DRUG SHORTAGES**

*New GAO, FDA Reports Detail Root Causes, Actions Taken to Mitigate the Impact of Drug Shortages
and Path Forward*

Washington, DC (February 10, 2014) – The Healthcare Supply Chain Association (HSCA) and its group purchasing organization (GPO) members today commended the U.S. Government Accountability Office (GAO), Food and Drug Administration (FDA), and the House Committee on Energy and Commerce for their leadership on the critical issue of prescription drug shortages. The House Energy and Commerce Committee Subcommittee on Health today convened a hearing to examine recent efforts to address drug shortages, during which the Committee considered new drug shortage reports from GAO and FDA.

HSCA President Curtis Rooney today released the following statement:

“HSCA applauds FDA, GAO and the House Energy and Commerce Committee for their leadership on the critical issue of prescription drug shortages and the new reports highlighting the actions that healthcare stakeholders have taken to mitigate the impact of this ongoing public health threat. GPOs have continuously worked in close collaboration with hospitals, manufacturers, distributors, Congress, HHS and FDA to help promote patient access to the life-saving drugs they need.

“GPOs have been leaders in helping to combat generic drug shortages and are already taking a variety of innovative steps to help reduce their impact. On a daily basis, GPOs balance the need to ensure access to drugs with the need to provide the best value to hospitals and healthcare providers. The GPO contracting process provides stability and predictability to hospitals and to the market; GPOs help hospitals and healthcare providers source and safely migrate to alternative products when shortages arise; and the voluntary GPO contracting process gives significant flexibility to both hospitals and manufacturers. For example, when drug manufacturers experience shocks to production, such as higher input price, they have the ability to quickly adjust their contract price as needed to continue production of that drug. As a result, GPOs manage thousands of price changes annually.

“Hospitals rely on GPOs to drive down costs and deliver the best products at the best value. Although GPOs don’t manufacture, compound or take title to any drugs, we have worked tirelessly with our hospital partners to expand the number of suppliers, to help manage existing supply, and to help ensure that patients get the medications they need when they need them.

“The GAO and FDA today reaffirmed that the root causes of drug shortages are manufacturing problems, quality issues, and barriers to getting new suppliers on line when supply is disrupted. Drug shortages are a complex challenge with no overnight fix, but GPOs are committed to continuing to be part of the solution.”

For more details on the steps that GPOs have taken to help mitigate the impact of drug shortages, please visit www.drugshortage.org

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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.