

The American Hospital Association ([AHA](#)) and the Association for Healthcare Resources & Materials Management ([AHRMM](#)) sponsored a survey of more than 1,200 hospital supply chain executives to understand their perspectives on group purchasing organizations (GPOs) and evaluate their GPOs based on a series of performance and utilization measures. The [survey](#), which was conducted by supply chain experts at The Wharton School of the University of Pennsylvania, found that hospitals rely on group purchasing organizations to reduce costs, that hospitals are overwhelmingly satisfied with their GPOs, and that GPOs increasingly offer services beyond traditional chain management to help meet hospital needs.

Hospitals are overwhelmingly satisfied with their GPOs.

- ✓ Approximately **90 percent** of all hospital executive respondents reported being satisfied or very satisfied with their national GPO.
- ✓ This high rate of satisfaction is translating to **long-term GPO relationships**. In 2014, the average tenure of a hospital with its national GPO was roughly **11 years**, which was an increase over the 2005 average of roughly **9 years**.
- ✓ **90 percent** of hospitals reported utilizing a national GPO, and overall procurement through GPOs has increased from 30 percent in 2005 to **39 percent** in 2014.
- ✓ “There is a consensus among U.S. hospital executives surveyed in this study that they are being served in this study that they are being served by their GPOs” -AHA survey, page 12.

Hospitals rely on GPOs to create cost savings.

- ✓ Survey respondents highlighted the role of GPOs in reducing costs:
 - **88 percent** of hospital executive respondents agreed or strongly agreed that GPOs reduced costs through lower product prices.
 - **86 percent** reported demonstrable cost savings and improvements through their primary GPO.
 - **84 percent** of hospitals saw savings from contract standardization.

GPOs are expanding services to meet hospital needs.

- ✓ **Two-thirds** of respondents agreed or strongly agreed that the role and impact of their national GPOs has grown over the past five years.
- ✓ Although hospitals continue to lean heavily on GPOs for producing cost savings, GPOs have also **expanded their offerings** to help hospitals with services beyond supply chain management, including **clinical improvement and value analysis activities**.

For the full results of the survey, visit www.supplychainassociation.org/studies