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**HSCA APPLAUDS SENATORS GRASSLEY, KOHL FOR CONTINUED LEADERSHIP
ON HEALTHCARE SUPPLY CHAIN TRANSPARENCY AND PUBLIC DISCLOSURE
OF HEALTHCARE PRODUCT MANUFACTURER INCENTIVES TO PHYSICIANS**

*Supply Chain Association and Group Purchasing Industry Support Call for CMS Regulations on
Physician Payment Sunshine Act*

WASHINGTON, D.C. (October 14, 2011)—The Healthcare Supply Chain Association (HSCA), formerly the Health Industry Group Purchasing Association (HIGPA), today applauded Senators Chuck Grassley (R-IA) and Herb Kohl (D-WI) for their continued leadership in the area of transparency in the healthcare supply chain and for urging the U.S. Centers for Medicare and Medicaid Services (CMS) to issue regulations for the Physician Payments Sunshine Act, which required public disclosure of financial relationships between physicians and the pharmaceutical, medical device and biologics industries.

“Prompt federal guidance is urgently needed to ensure a smooth path toward increasing disclosure, eliminating conflicts, and ultimately providing patients with the tools they need to make informed health choices,” said Senators Grassley and Kohl in an October 3 letter to CMS Administrator Donald Berwick.

The sunshine law requires manufacturers to report all payments to physicians, including consulting fees, honoraria, and travel and entertainment expenses. The law also requires the Department of Health and Human Services to publicly disclose on the Internet the identity of the manufacturer, physician, and the drug or device associated with the payment. Additionally, the law requires manufacturers and GPOs to report all ownership or investment interests held by physicians or members of their family, and to make that information public.

“The group purchasing industry is the most transparent sector in healthcare, and we have a longstanding commitment to promoting openness, accountability and the highest ethical standards in business practices, including our support of the Physician Payment Sunshine Act,” said HSCA President Curtis Rooney. “Tough transparency provisions like those contained in the law help ensure that all hospitals and patients know that physicians are not being unduly influenced by medical device and pharmaceutical manufacturer marketing, and that decisions about patient care are based on science and evidence-based sourcing of products and services.

Manufacturers and group purchasing organizations (GPOs) are required to start complying with the law by collecting payment data beginning January 1, 2012, and must begin reporting this information to the government on March 31, 2013.

In 2010, HSCA (then the Health Industry Group Purchasing Association), supported the transparency provisions included in the Physician Payments Sunshine Act of 2009 introduced by Senators Grassley and Kohl.

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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 16 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.