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**HIGPA APPLAUDS STATE OF THE UNION HEALTH CARE COST CONTAINMENT FOCUS
AND HIGHLIGHTS BILLIONS IN GPO COST SAVINGS FOR MEDICARE AND MEDICAID**

*Group Purchasing Organizations Projected to Save More Than \$100 Billion for
Medicare, Medicaid from 2008 to 2017*

Washington, D.C. (January 26, 2011) – Health Industry Group Purchasing Association (HIGPA) President Curtis Rooney today issued the following statement on the 2011 State of the Union address, President Obama’s health care cost containment message, and the billions in cost savings that group purchasing organizations (GPOs) deliver to American hospitals and the Medicare and Medicaid programs:

“HIGPA and the group purchasing industry applaud the President for his State of the Union focus on health care cost containment, and join his call to further reduce health care costs to American taxpayers, and to the Medicare and Medicaid programs.

“As the President, Congress, and all parties to the U.S. health care delivery system search for ways to rein in health care spending, GPOs are already increasing competition and reducing health care expenses for Medicare and American hospitals. GPOs are cost containment.

“Health care reform implementation and Medicare reimbursement reform will mean even greater financial strain on American hospitals already operating in the midst of budget crises. Hospitals will rely on GPOs more than ever to help deliver the highest quality products at the best value.

“GPOs use high-volume purchasing methods to secure discounts for hospitals, introduce new and innovative devices to the market, and save the health care system billions annually. GPOs are committed to remaining the most transparent sector of the health care industry, and as we continue to deliver the highest quality products and services, we will also continue to promote price transparency and competition that will further drive down costs.”

Recent studies indicate that GPOs will save Medicare \$104 to \$230 billion from 2008 to 2017, and will save Medicaid 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 health care system, according to one study. Of that, Medicare realized savings up to \$17 billion and Medicaid saved up to \$12 billion.

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About HIGPA

The Health Industry Group Purchasing Association (HIGPA) is a broad-based trade association that represents 15 group purchasing organizations, including for-profit and not-for-profit corporations, purchasing groups, associations, multi-hospital systems and healthcare provider

alliances. HIGPA's mission is to advocate on behalf of health care 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.higpa.org.