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HSCA HIGHLIGHTS ROLE OF GPOs IN COST CONTAINMENT AS CBO REVISES ACA COST ESTIMATE

Washington, DC (July 24, 2012) – Healthcare Supply Chain Association (HSCA) President Curtis Rooney today released the following statement on the new Congressional Budget Office (CBO) cost estimate for the Affordable Care Act. The CBO found that the overall cost of the Affordable Care Act will be \$84 billion less over the next 11 years when compared to the original cost estimate for the legislation. CBO revised the estimate because the Supreme Court struck down the Medicaid expansion provision of the Affordable Care Act.

“Despite today's Congressional Budget Office announcement that cost estimates for the Affordable Care Act have been lowered by \$84 billion, the overall cost of healthcare continues to rise. As costs rise, hospitals, long-term care facilities and other healthcare providers will rely on their GPO partners reduce healthcare costs while helping to preserve the Medicare and Medicaid programs that so many Americans rely on. GPOs save billions of dollars every year for hospitals, taxpayers, and Medicare and Medicaid, and will continue to work with their hospital partners and suppliers to deliver the best and most innovative healthcare products at the best value.”

GPOs achieve billions in savings annually by using high-volume purchasing methods to secure discounts for hospital partners. 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 healthcare 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 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 15 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.