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**MEDICARE TRUSTEES' REPORT ON MEDICARE SOLVENCY UNDERScores IMPORTANCE OF
BILLIONS IN GPO COST SAVINGS TO MEDICARE**

GPOs Deliver Billions in Savings Annually to Medicare and Medicaid According to Recent Studies

Washington, DC (April 23, 2012) – The Healthcare Supply Chain Association (HSCA) today highlighted the billions of dollars in savings that healthcare group purchasing organizations (GPOs) deliver to Medicare in light of the Medicare trustees' report released this afternoon. The trustees for the Medicare program released their annual report on the fiscal health of the program, underlining the need for stakeholders in the healthcare system to continue to deliver savings that will fortify this crucial program for seniors' health.

“GPOs save their hospital partners and Medicare billions of dollars every year. The Medicare trustees' report today highlights the need for the President, Congress, and stakeholders in the healthcare system to continue to find savings for this critical program,” said HSCA President Curtis Rooney. “GPOs are a critical piece of the healthcare cost containment solution for Medicare, saving the program as much as \$230 billion by 2017.”

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.

“The group purchasing industry looks forward to working with the Administration, Congress, and other participants in the healthcare supply chain to find additional savings for hospitals and Medicare, such as medical device pricing secrecy, which the GAO recently suggested may be artificially driving up Medicare costs,” said Rooney. “We encourage Congress to eliminate medical device confidentiality agreements and unleash the savings potential of price transparency in the medical device marketplace, which could achieve further cost savings for Medicare and the healthcare system at large.”

For the full GAO report, *Lack of Price Transparency May Hamper Hospitals' Ability to Be Prudent Purchasers of Implantable Medical Devices*, please visit <http://www.gao.gov/assets/590/587688.pdf>.

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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.