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ANALYSIS: GPOs Helped Increase Domestic Manufacturing Capacity, Protected Hospitals and Patients from Thousands of Fraudulent Sellers, and Helped Identify and Bring New Suppliers to Market to Avert Supply and Drug Shortages During COVID-19

HSCA Releases Issue Brief Detailing Learnings and Best Practices from Industry COVID-19 Response

Washington, DC (April 20, 2022) – The Healthcare Supply Chain Association ([HSCA](#)), which represents the nation’s leading healthcare group purchasing organizations (GPOs), today released an analysis of key learnings, best practices, and case studies of the role of GPOs in the response to the COVID-19 pandemic. The [issue brief](#), “*Healthcare Group Purchasing Organizations: Critical Partners in the COVID-19 Response Effort*,” highlights specific ways in which GPOs were able to shore up domestic manufacturing and help new suppliers come to market, communicate about anticipated demand surge to allow manufacturers to increase capacity, avert supply and drug shortages, and protect healthcare providers and patients from counterfeit or inferior medical products.

“Healthcare group purchasing organizations have long helped avert drug shortages and safeguard access to essential medical supplies, a role that has become even more important during the COVID-19 pandemic. GPOs are critical partners helping hospitals and the healthcare system avert and mitigate the impact of shortages, and have helped reduce the number of shortages by half over the last decade,” said HSCA President & CEO Todd Ebert, R. Ph. “HSCA’s examination of the role of GPOs in national COVID-19 response efforts revealed that GPOs helped safeguard provider and patient access to essential supplies; added new manufacturers and shored up domestic manufacturing; protected hospitals from counterfeit and inferior products, and harnessed data and cutting-edge technology to improve patient care.”

Specific findings and best practices about the ways in which GPOs helped healthcare stakeholders navigate the COVID-19 pandemic included:

- **Demand Surge Notices Led to Increased Manufacturer Capacity.** Communications from one GPO to manufacturers about **anticipated demand surge** resulted in expanded manufacturer capacity and an additional **17 million N95 respirators, 57.5 million isolation gowns, 2.1 million face shields, and 25.8 3-ply adjustable million cotton masks**, among other products.
- **Supply Chain Resiliency Programs Resulted in New Manufacturers Coming to Market.** Multiple GPOs launched programs aimed at **increasing supply chain resiliency and redundancy to prevent shortages** of critical products. One GPO’s program resulted in the availability of an additional **676,000 units of the sedative propofol**. Another GPO added **40+ new manufacturers** of COVID-19 supplies, signed more than **100 new contracts**, and evaluated supplies from more than **2,500 brokers**.



- **Vetting Prevented Fraudulent or Inferior Products from Getting to Caregivers and Patients.** One GPO **vetted thousands of leads** and found that more than **90% were illegitimate**. Another GPO **vetted 2,400 new manufacturers** to confirm registration with FDA and the National Institute for Occupational Safety and Health (NIOSH).
- **Expanding to Non-Traditional Suppliers Helped Ensure Continuous Supply of Essential Products.** By expanding partnerships beyond traditional healthcare vendors into **non-traditional and adjacent industries**, such as distilleries, textile manufacturers, steel and automobile manufacturers, and others, GPOs were able to help fill supply gaps for essential products such as **hand sanitizer, face shields, isolation gowns, shoe coverings, surgical caps, and nasal swabs.**
- **Building Essential Medications Lists Helped Avert Drug Shortages.** Multiple GPOs compiled and identified lists of **essential medications** whose absence would threaten the ability of hospitals to provide immediate and high-quality patient care and shared the lists with government authorities. One GPO identified **200 essential medications, including 77 acute and chronic life-saving drugs** that have no alternatives in the event of a supply disruption.

To view the full HSCA issue brief, click [here](#).

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About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association ([HSCA](#)) represents the nation's leading healthcare group purchasing organizations (GPOs), which are critical cost-savings partners to America's hospitals, nursing homes, nursing home pharmacies, clinics, home healthcare providers and surgery centers. GPOs deliver billions in savings annually to healthcare providers, Medicare and Medicaid, and taxpayers. HSCA and its member GPOs are committed to delivering the best products at the best value to healthcare providers, to increasing competition and innovation in the market, and to being supply chain leaders in transparency and accountability. For more information, visit www.supplychainassociation.org. Follow HSCA on Twitter [@HSCA](#).