

# What They're Saying: Hospitals, Patients, and Healthcare Associations Supporting the Work of GPOs to Mitigate and Prevent Drug Shortages

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Recently, more than 5,000 healthcare organizations, hospitals, providers, and individuals have made their voices heard on the role traditional healthcare group purchasing organizations (GPOs) play in helping to mitigate and prevent ongoing drug shortages across the country. Here is what they are saying:



"Traditional healthcare GPOs serve as a critical link between healthcare providers and manufacturers by assisting in increasing the efficiency of contracting for high-quality medical products and services, including prescription drugs."

"In the event of a shortage, GPOs are able to quickly identify additional manufacturers and create incentives by guaranteeing purchase volumes and potential profits for new suppliers."

**Association of American Medical Colleges [April 2024 | [Comment Letter to Federal Trade Commission](#)]**



"The AAN believes that GPOs and drug wholesalers are integral parts of a stable supply chain and can be leveraged as effective tools to maintain drug affordability."

**American Academy of Neurology [April 2024 | [Comment Letter to Federal Trade Commission](#)]**



"When disruptions to supply exist, rural hospitals work with their GPOs to migrate to alternative sources and clinically appropriate substitutes, as well as identify where additional stock exists throughout the supply chain."

**National Rural Health Association [March 2024 | [Comment Letter to Federal Trade Commission](#)]**



"At the onset of the COVID-19 pandemic, when many hospitals and providers faced significant product shortages due to myriad challenges, GPOs worked closely with suppliers, providers and federal agencies and task forces to ensure the availability of critical medical products, including pharmaceuticals."

"Because GPOs already had established relationships with suppliers and an understanding of hospitals' supply needs, GPOs were able to quickly take action to help hospitals, such as Boulder Community Health, obtain vital protective equipment and drugs to treat patients with COVID-19."

**Boulder Community Health [April 2024 | [Comment Letter to Federal Trade Commission](#)]**

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“Our GPO partner has developed innovative strategies to require suppliers to manufacture, maintain and warehouse additional buffer inventory of essential medications in the U.S. that can be accessed during an unanticipated supply chain disruption.”

“This [GPO] program has greatly alleviated supply disruptions for our institution and we are grateful for the partnership.”

**FHN Memorial Hospital [April 2024 | [Comment Letter to Federal Trade Commission](#)]**

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“The line of sight that GPOs have over the supply chain means that, when drugs are in short supply, we are able to work with our GPO to identify where additional stock exists.”

“As a result of our collaboration with our GPO, we are better able to serve our patient population with more efficiency and quality care.”

**Hoag Memorial Hospital Presbyterian [March 2024 | [Comment Letter to Federal Trade Commission](#)]**

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“The GPO organization that we utilize through our Vizient membership is a vital support tool for expertise, supply chain and other program implementation and cost savings. This has been especially critical over the last five years as we have gone through the pandemic with the associated supply chain challenges and navigated the challenging dynamics of medication supply, shortages and market fluctuations.”

**LMH Health [March 2024 | [Comment Letter to Federal Trade Commission](#)]**

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“GPOs give providers of all sizes – including our institution – confidence that they can have consistent and reliable access to essential pharmaceuticals, medical supplies, and other products necessary for patient care.”

“GPOs rely on the principles of drug shortage stewardship practices to minimize the impact of a shortage by reducing demand and limiting utilization, which allows the market to recover more rapidly.”

**PIH Health [April 2024 | [Comment Letter to Federal Trade Commission](#)]**