

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

HSCA

Recently, leading 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](#)]



"Providers should continue to be free to contract with GPOs, drug distributors, or manufacturers to manage storage and rotation of drugs stockpiled on their behalf."

American Society of Health-System Pharmacists [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"GPOs are an important part of the United States healthcare infrastructure and play a critical role in promoting a steady, affordable supply of vital drugs for patients and the entire supply chain...GPOs are structured to engage in initiatives to ensure resiliency in the pharmaceutical supply chain, with a focus on anticipating and mitigating drug shortages to ensure patient access to essential medications."

Federation of American Hospitals [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"Healthcare providers rely on GPOs...to work with their members and manufacturers to create a competitive marketplace, ensure a continuous drug supply and help prevent and mitigate the impact of drug shortages on the patients they serve."

Healthcare Leadership Council [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"GPOs... ultimately provide consumers more options to purchase generic pharmaceuticals from more pharmacies at lower prices, as Congress intended in passing the GPO Statutory Clarification."

Walgreens [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"GPOs in the acute setting have the potential to significantly mitigate drug shortages if steps are taken to incentivize hospitals to emphasize the value of resilience in the long-term, relative to the more limited and short-term motivations for cost savings."

Fresenius Kabi [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"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."

Allina Health [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"Given the critical role of GPOs in the healthcare supply chain, they are uniquely positioned to address supply chain disruptions."

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



"Increased purchasing leverage can, however, alternatively be used to demand a more reliable supply of critical generic drugs. GPOs and wholesalers can efficiently vet suppliers through consolidated supplier performance measurement tools and can create long-term partnerships with leading suppliers to enable investments in manufacturing infrastructure."

Duke Margolis Center for Health Policy [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"Exela's collaborations with traditional healthcare GPOs and other supply chain partners create more domestic production options and bring new supply to healthcare providers."

Exela Pharma Sciences [May 2024 | [Comment Letter to Federal Trade Commission](#)]



"[S]trong supply chain partners, such as GPOs, have put in place comprehensive and actionable solutions – solutions where manufacturers, healthcare providers and other stakeholders are all coming together to deliver meaningful impact."

VGYAAN Pharmaceuticals [May 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](#)]



"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](#)]



"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](#)]



"The GPO organization that we utilize... 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](#)]



"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](#)]
