

Traditional Healthcare Group Purchasing Organizations (GPOs) Are Essential Partners to Rural Hospitals & the Patients They Serve



Rural hospitals face unprecedented challenges that threaten their ability to keep their doors open and serve their communities due to persistent financial pressures, including increasing labor costs and challenges with payors. As critical cost-saving partners, GPOs work to address these challenges and ensure rural hospitals have the resources they need to continue providing care.



600+

Rural hospitals at risk of closing nationwide and 30% of all rural hospitals face immediate closure risk¹

GPOs Deliver Critical Cost Savings to Rural Hospitals

- GPOs aggregate purchasing power, giving rural facilities access to competitive pricing and favorable terms on essential supplies on par with their larger healthcare counterparts.
- The cost savings generated by GPOs help rural hospitals **stay open**, and focus more resources on their core mission: delivering high-quality patient care.
- GPOs **reduce operational burden** by helping rural hospitals navigate developments in the supply chain, such as pricing, packaging, and product changes.



95%

Rural and critical access hospitals choose to utilize a **designated primary GPO**²

\$34.1B

Annual savings generated by GPOs across the healthcare industry, helping hundreds of **at-risk rural hospitals** remain financially viable.³

GPOs Provide Value and Services that Help Rural Hospitals Serve Patients

- GPOs provide sophisticated **supply chain analytics and market intelligence** that would be cost-prohibitive for rural facilities to develop independently.
- GPOs support rural providers' **emergency preparedness** through established supplier and distributor networks and ongoing market intelligence.
- GPOs help rural hospitals access **critical cybersecurity resources** that they might not otherwise have been able to afford.



NRHA

"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 Association⁴

1. "Rural Hospitals at Risk of Closing," Center for Healthcare Quality & Payment Reform, February 2025
2. According to data from Definitive Healthcare
3. "A 2018 Update of Cost Savings and Marketplace Analysis of the Health Care Group Purchasing Industry," Dobson DaVanzo & Associates, April 2019
4. Excerpt from March 2024 Comments to Federal Trade Commission