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**COMPREHENSIVE REVIEW OF GROUP PURCHASING INDUSTRY BUSINESS PRACTICES
FINDS COMMITMENT TO TRANSPARENCY, INNOVATION AND HIGH ETHICAL
STANDARDS**

Former Rep. Phil English, Sens. Byron Dorgan and Robert Bennett Announce Release of Healthcare Group Purchasing Industry Initiative Report at Capitol Hill Briefing

Washington, D.C. (February 15, 2013) – The Healthcare Group Purchasing Industry Initiative ([HGPII](#)) today released its seventh annual *Report to the Public*, a comprehensive industry review which found that group purchasing organizations (GPOs) consistently maintain high ethical standards and business practices that promote innovation, transparency in the bidding process and compliance. HGPII Co-Coordinator, former Representative Philip English (R-PA), and former Senators Byron Dorgan (D-ND) and Robert Bennett (R-UT) oversaw the review process and presented the report findings earlier today to Capitol Hill staff. The entire report, which details the coordinators’ extensive and objective assessment of the GPO industry, can be viewed on the HGPII website.

“Financial pressure on U.S. hospitals and healthcare providers has never been more acute, and providers rely on GPOs to reduce costs in all areas of the healthcare supply chain. HGPII is dedicated exclusively to the promotion of increased transparency and ethics in GPO business practices,” said HGPII Co-Coordinator and former Representative Phil English. “After a year of conducting the most thorough interviews and site visits in HGPII’s history, and reviewing responses to hundreds of questions, we have determined that HGPII members have created internal business safeguards and enforcement mechanisms to prevent conflicts of interest; improved transparency in the bidding and awards process; and developed and implemented policies that facilitate and promote the availability of news, innovative technologies for healthcare.”

HGPII is an independent, voluntary organization that was founded in 2005 as a non-profit organization by the chief executives of those healthcare GPOs who thought the industry should do more collectively to demonstrate a strong commitment to ethical values. HGPII promotes the development and improvement of accountability standards, business practices, and ethics to its customers, vendors, and the public to help create higher industry standards for quality and value.

For the last seven years, HGPII members have submitted to an annual, independent review of individual company business practices. In 2012, former Rep. English, and Senators Dorgan and Bennett began to oversee the HGPII review. The new report is the most comprehensive ever issued, is available to the public, and provides critical details about business practices within the healthcare supply chain. Key findings of the HGPII report include:

- **Transparent Bidding and Awards.** All members have conformed to consistently high standards in their bidding and awards process, and have identified transparency in these contracts as an organizational priority;
- **Promoting Innovation.** Each of the member organizations that directly contract for medical technology products has developed and implemented policies that facilitate and promote the availability of new innovative technologies for healthcare;
- **Vendor Grievances.** The survey found that all member organizations were offering an active and accessible grievance policy for vendors. Most confirmed that use of this option has been rare. The alternative HGPII grievance policy for vendors has not been utilized in 2012;
- **Vendor Fees.** All members commonly restrain the size of vendor fees with blended amounts of 3% or less;
- **Ethics and Best Practice Compliance.** Every member GPO provides employees with a written ethics policy and orientation on hiring, with periodic refresher sessions for existing employees. GPO policy has consistently stressed that sound ethical practices are a condition of employment;
- **Participation in HGPII Best Practices Training.** Each member of the Initiative has adequately participated in the HGPII Annual Best Practices Forum, with representation by both the management and key employees. HGPII is actively reviewing the standards by which members' participation is measured for 2013.

“HGPII members have participated in a rigorous proactive review of their business practices as well as ethical and compliance standards and remain dedicated to the mission of sound business practices, transparency and delivering high quality and cost-effective healthcare products and services to customers,” said HGPII Co-Coordinator and former Senator Byron Dorgan.

“The HGPII model is based on a fair, open, and competitive contracting process that is free of conflicts of interest and any undue influence,” said HGPII Co-Coordinator and former Senator Robert Bennett. “HGPII member GPOs have pledged to continue to promote best practices and inspire ethical conduct by both word and actions. Meeting these standards will require full transparency of business conduct practices with vendors and healthcare providers with whom they contract.”

To review the full findings of the HGPII report, please visit: www.healthcaregpoi.com.

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Healthcare Group Purchasing Industry Initiative

Founded in 2005, the Healthcare Group Purchasing Industry Initiative ([HGPII](http://www.healthcaregpoi.com)) is an organization that promotes and monitors the best ethical and business practices in purchasing for hospitals and other healthcare providers. The goal of the Initiative is to assure ongoing adherence to ethical conduct and business practices, and to hold the confidence of the public and the government in the integrity of the GPO industry. Each GPO has committed to the Initiative at the highest level and adheres to a strict code of ethical conduct. The governing body of the Initiative is comprised of the founding GPO Chief Executive Officers, who serve as a Steering Committee to set the Initiative's policies and programs.