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Media Contact:

Nathan Carlile, Communications Manager
(202) 715-8504

**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*

Washington, DC (October 8, 2013) – On October 8, the Healthcare Group Purchasing Industry Initiative ([HGPII](#)) released its eighth annual *Report to the Public*, a comprehensive industry review that found group purchasing organizations (GPOs) consistently maintain high ethical standards and business practices promoting innovation, transparency in the bidding process, and compliance. HGPII Co-Coordiators, former Representative Philip English (R-PA), and former Senators Byron Dorgan (D-ND), and Robert Bennett (R-UT) oversaw the review process and released the report findings earlier today. The entire report, which details the coordinators' extensive and objective assessment of the GPO industry, can be viewed on the HGPII website.

“At a time when healthcare providers are being challenged by an unprecedented level of systemic change, it is critical that the healthcare supply chain be managed with best practices and the highest ethical standards,” said HGPII Coordinator and former Representative Phil English. “As the result of our comprehensive review of the industry, HGPII is pleased to announce that our findings demonstrate that our member organizations are conforming to our charter and founding principles. Our independent evaluation of every participating GPO confirms that the group purchasing sector is being managed with transparency and professionalism, with tangible benefits for the public. The initiative is pleased to confirm that the group purchasing organizations we have surveyed have sustained their commitment to contracting processes that promote quality and value in the healthcare system.”

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 eight years, HGPII members have submitted to an annual, independent review of individual company business practices. In 2011, former Rep. English, and Senators Dorgan, and Bennett began to oversee the HGPII review. Earlier this year, they presented their first annual report as co-coordinators of HGPII. That report was the most comprehensive ever issued and provided critical details about business practices within the healthcare supply chain. This year's report expands on the co-coordinators continued involvement in reviewing and monitoring industry best practices. Key findings of the latest HGPII report include:

- **Vendor and Internal 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. Every GPO member also confirmed procedures to allow employees to report potential ethics violations without fear of reprisal;
- **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;
- **Vendor Fees.** Most every HGPII member maintains administrative fees to 3 percent or less. GPOs that bid certain products and services with higher fees disclose those amounts in conformance with GPO Safe Harbor regulations;
- **Conflicts of Interest Policies.** Every member GPO is actively promulgating and enforcing a code of conduct intended to ban conflicts of interest, or their appearance, as part of employee orientation and yearly training sessions;
- **Sole Source Contracts.** Most HGPII members generally do not utilize sole source contracts and reserve this method for when only one vendor is available to provide a specific product or a regional GPO can offer deeper discounts from local vendors;
- **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 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.