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HGPII LAUNCHES TWO MAJOR INITIATIVES TO FURTHER WIDEN TRANSPARENCY AND STRENGTHEN OVERSIGHT IN THE HEALTHCARE GROUP PURCHASING INDUSTRY

GPO Leaders Unanimously Approved a Formal Supplier Grievance Process and Activated an Independent Advisory Council.

Washington, D.C. (July 8, 2010) – The Healthcare Group Purchasing Industry Initiative ([HGPII](http://www.healthcaregpoi.com)), an organization dedicated to promote the highest ethical standards and practices in the health care group purchasing industry, today announced the launching of two major initiatives to further increase transparency and strengthen oversight in the health care group purchasing industry.

At a recent meeting, the HGPII CEOs voted unanimously: (i) to activate a formal process to insure prompt and fair resolution of supplier complaints regarding a GPO's purchasing process; and (ii) to implement an Independent Advisory Council. Both of these measures had been directed by the CEOs at the conclusion of the HGPII Best Practices Forum in March 2010.

The new “supplier grievance process” entails the engagement of a neutral party provided by the American Arbitration Association. The Independent Advisory Council is comprised of distinguished ethics experts who will provide direct support of the HGPII's commitment to sustain the highest level of public trust and will provide counsel and advice on compliance “best practices” and other HGPII activities. The charter of the Advisory Council and detailed description of the supplier grievance process are being displayed on the Initiative's Website: www.healthcaregpoi.com.

Richard J. Bednar, HGPII Coordinator, commented that “These two measures are the most significant developments in the short history of the Initiative. They clearly demonstrate an unwavering commitment to the highest ethical standards and transparent business practices.”

HGPII was assisted in developing these initiatives for an independent ethics advisory panel and an independent grievance process by highly distinguished ethics experts Dr. Pat Harned, President, Ethics Resource Center; Dr. Michael Hoffman, Founder and Executive Director, Center for Business Ethics, Bentley University; and Ms. Lori Tansley Martens, Founder and President, International Business Ethics Institute. The HGPII additionally was assisted by the observations of Congressional staff members and others who participated in the March Best Practices Forum.

Lee H. Perlman, the HGPII Chairman, observed that “these two measures activated today are highly significant in reaching the ultimate goal of bringing full transparency and values-based compliance to the Industry; all to the benefit of quality and value to the patient.” Bednar added, “An HGPII vision is that other segments of the healthcare supply chain will follow our lead by implementing their own policies and best practice procedures to increase transparency and eliminate conflicts of interest.”

“Since its inception in 2005, HGPII has demonstrated a strong commitment to ethical business conduct and practices in the health care GPO industry. The Initiative is sustained by the conviction that integrity of business conduct and practices directly add value to the accessibility and quality of healthcare at competitive prices. From its beginning, the HGPII has periodically consulted with members of Congress, and other healthcare and ethics experts, both within and outside the Industry.

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Healthcare Group Purchasing Industry Initiative

Founded in 2005, the Healthcare Group Purchasing Industry Initiative (HGPII) 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 nine founding GPO Chief Executive Officers, who serve as a Steering Committee to set the Initiative’s policies and programs.