



For Immediate Release

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## **MDMA Applauds the Senate's Progress in Negotiating a GPO Code of Conduct**

### ***Premier's Code of Conduct considered an encouraging development in the effort to reform the GPO industry***

WASHINGTON, August 5, 2002---The Medical Device Manufacturers Association (MDMA) today praised the efforts of the Senate Judiciary Committee's Antitrust Subcommittee and Premier, Inc., one of the largest hospital group purchasing organizations (GPOs), for their hard work and foresight in crafting a proposed code of conduct to address anticompetitive practices by GPOs. Premier delivered its version today, in response to the Senate's request for action.

Senators Herb Kohl (D-WI), Chairman of the Senate Judiciary Antitrust Subcommittee, and Mike DeWine (R-OH), Ranking Member, demanded during an April 30<sup>th</sup> hearing that GPOs produce a code of conduct within 90 days in response to concerns that life saving medical devices were being shut out of hospitals by anticompetitive business practices of leading GPOs. Unlike Premier, the GPO industry association, HIGPA, failed to adopt meaningful changes to its members' corporate practices in the code of conduct it submitted to the Subcommittee, and Novation, a leading GPO and subject of a series of recent investigative articles in the *New York Times*, was noticeably absent from the process.

Joe E. Kiani, MDMA Board Member and Chairman of MDMA's GPO Task Force stated, "I commend Premier for taking all of the feedback constructively to begin to make its necessary course correction. Through the dedication of Senator Kohl and Senator DeWine and the willingness of Premier to embrace positive change, we now have a GPO code of conduct that could offer an important tool for restoring competition and innovation to our healthcare system."

In addition to finalizing the code, MDMA will continue to work with Premier, the Congress, other federal agencies and all relevant parties to ensure a continued commitment to fairness and competition in the hospital supply marketplace. MDMA is very pleased that Senators Kohl and DeWine have strongly emphasized their continuing commitment to this vital issue and the importance of using a range of avenues to ensure responsible corporate behavior by GPOs."

Larry R. Holden, President of MDMA, called Premier's proposed code of conduct "a step in the right direction and one that brings us closer to an industry solution." He noted that a code of conduct is just a code and that it is up to all involved parties to ensure that

Premier's conduct matches its code. He also noted the reluctance of other GPOs to adopt similar pro-competition policies, however, and urged other GPOs to join Premier immediately in working with the Senate and MDMA to find solutions. Holden added, "We appreciate the progress made to date and look forward to continuing to work with the Senate and others to press the valid market access concerns of innovative medical device manufacturers."

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*The Medical Device Manufacturers Association (MDMA) is a national trade association based in Washington, D.C. that represents and serves the innovators and entrepreneurs in the medical device industry. The thousands of innovative companies that MDMA represents, including 150 dues paying members, consist of manufacturers of medical devices, diagnostic products, and health care information systems, MDMA seeks to improve the quality of patient care by encouraging the development of new medical technology and fostering the availability of innovative products in the marketplace. [www.medicaldevices.org](http://www.medicaldevices.org)*