

Statement by Mike Alkire, chief operating officer, Premier healthcare alliance, on GPhA response to drug shortages

The Premier healthcare alliance commends the Generic Pharmaceuticals Association (GPhA) for implementing the Accelerated Recovery Initiative, a private sector solution that could greatly help mitigate or prevent potential drug shortages. This is a highly innovative approach to ensuring a continuous, uninterrupted supply of medications. Moreover, we believe this is an essential first step to assure safe and effective care for sick patients, and we are hopeful this solution will maintain or increase market competition.

According to Premier research, drug shortages cost U.S. healthcare care providers [at least \\$413 million annually, and pose significant patient safety risks.](http://www.premierinc.com/about/news/11-mar/drugshortage032811.jsp) (<http://www.premierinc.com/about/news/11-mar/drugshortage032811.jsp>) We believe a neutral, third party will have the potential to work nimbly with manufacturers and the government to collect and disseminate shortage information to those that need it. Such a program also has the potential to help identify alternative sources of supply and work directly with providers to prepare for and potentially avoid a shortage from happening in the first place.

There is no short-term silver bullet that will solve the drug shortage problem. However, we are confident that improved communications across the supply chain is an important strategy to help mitigate both production shortfalls and supply challenges that can result with hoarding. Members of the Premier healthcare alliance stand ready to work with GPhA in this effort, and to help find additional ways to reduce the impact of drug shortages and ultimately solve the problem over the longer term.