period. Faced with the loss of the expiration of their patent and a drop in the cost of the generic product to one-fifth or less of the trade name product, they came out with a minor molecular modification of Gantrisin called Gantinol.

Advertising for this drug indicated that it was unique and new. Actually it is an agent which has exactly the same spectrum as the parent compound, maybe slightly longer acting, but it has been shown to have no qualitative unique action different from Gantrisin. We don't use Gantinol at Grady Hospital. And I could go on and on with the list of drugs where, in an attempt to get a saleable item, one drug firm will make a minor modification in a molecule already introduced by another drug firm, or sometimes in one of their own products as the two instances I have mentioned, in order to get back on the trade name basis.

Mr. GORDON. Does the Grady Hospital employ any inspection or testing procedures to insure that the drug supplies meet proper standards?

Dr. WILLIAMS. No, we do not, and this is why among other things I would be very interested in having this. We purchase from generic houses, we buy the bulk of our purchases, which are by and large established houses. Our antibiotics come from Primo, and so on.

We in the early days of our work arbitrarily set some minimum standards. Actually the then hospital administrator set a minimum Dun & Bradstreet rating which we would accept for a supplier for the drugs. This was a little unfair, but in the absence of other information gave us at least some standard to go on.

In addition, we keep records and watch the recalls noted by the Food and Drug Administration. If we get a drug which we suspect, we turn it over to the local food and drug authorities and have them test it for us, which they do. If a company has drugs recalled for what are serious errors, we stop using that company.

In addition, we do inspection of the generic suppliers, and when a new generic supplier turns up, either Mr. Dorsey, our chief pharmacist, or I, will attempt either by telephone to people locally in the area or by a trip to check on this supplier, but we do not do laboratory testing of anything except the things we make ourselves.

Mr. GORDON. I understand you manufacture some items. What do you manufacture?

Dr. WILLIAMS. Actually minor items, saturated solution of potassium iodide and so on. We manufacture all of our own fluids, and we do check tests on these, and this affects our total drug bill, but not the out-patient costs.

Mr. GORDON. Now, the figures you gave us in your statement show the savings as a result of adopting a formulary system. Could you give us some specific examples as to money saved by buying generically, that is specific drugs?

Dr. WILLIAMS. I have already mentioned some of these in previous testimony. I think one of the most dramatic was in terms of generics, was the savings that we made by switching from methylprednisolone to prednisone, or from trade name prednisone to generic name prednisone, which would have given us essentially at that time the same saving.

Mr. GORDON. How much money did you save on that?