

and selects from among the numerous medicinal agents available those that are considered most useful in patient care, together with the pharmaceutical preparations in which they may be administered most effectively. Drugs compiled in this manner, then, comprise the hospital's formulary. Thus, the hospital formulary is a compilation of pharmaceuticals which reflects the clinical judgment of the medical staff. Continuous provision is necessary to maintain an up-to-date formulary.

According to this study, over 50 percent of the Nation's hospitals operate under a formulary system, and an additional 25 percent of chief pharmacists would like to operate under such a system.

Senator NELSON. When you say 50 percent operate under a formulary system, what percent would that 50 percent be of the total beds?

Dr. CHERKASKY. I would presume it would be more than 50 percent of the total beds. This is a presumption, because the large hospitals, almost without exception, have found that a formulary is essential for the protection of the patient, the education of the doctor, and for fiscal reasons.

Dr. Charlotte Muller did a study reported in 1966, which again showed that the overwhelming proportion of hospitals in the city of New York, 89 percent, had a formulary.

The Governor of the State of New York, seriously concerned about medical care costs in the State, created a commission under the chairmanship of Marion Folsom, the first Secretary of Health, Education, and Welfare, which became known as the Folsom Committee or Governor's Committee on Hospital Costs.

The report to the Governor stated:

The most effective technique for controlling the cost of drugs to hospital patients—

Senator NELSON. Excuse me 1 minute.

Dr. CHERKASKY. Yes, sir.

Senator JAVITS, how are you, sir? Good to see you.

Senator JAVITS. Senator Nelson, while we have a moment's halt, I am sorry that I came a moment late. I have other committee responsibilities, and I may not be able to stay all through the hearing. I wish to express my satisfaction at having one of our most distinguished medical leaders, who is personally known to me, as today's primary witness.

I have gone through the whole statement, Dr. Cherkasky. I find it most informative. I know it will be very helpful to us. I express the satisfaction of the Senator from New York to be able to contribute through you so markedly to the deliberations of this subcommittee.

Dr. CHERKASKY. Thank you, Senator.

Senator NELSON. Thank you, Senator.

Dr. CHERKASKY. That is very generous of you.

This committee recommended to the Governor:

The most effective technique for controlling the cost of drugs to hospital patients and for assuring the highest standards of prescribing is a well-organized and efficiently run hospital drug formulary system.

They go on to make two other recommendations:

Those hospitals in the State that have pharmacies but do not have effective formulary systems should be required to initiate them.