

in DOD laboratories. After drug contracts are awarded, both the plant facilities and the stored products are continuously spot-checked, and DOD actively solicits reports from military hospitals and physicians on drug quality, therapeutic efficacy, and adverse reactions.

About 240 of the 1,200 drugs currently stocked are purchased under generic name.

The DOD policy is to purchase drugs under contract from the lowest "responsible bidder." It may buy foreign-made drugs where the acquisition cost is at least 50 percent less than "responsible" domestic bids. The same pre-award standards and continuing surveillance imposed on domestic firms are applied to foreign manufacturers with DOD contracts.

As a Federal purchasing agency, DOD may purchase patented products from unlicensed manufacturers.

DOD Military Medicare. Through its Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), the Department of Defense provides out-of-hospital prescription drugs through hometown pharmacies to some 6.5 million eligible retired military personnel and military dependents. Various carriers are used for program administration.