

3838 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Any pharmacy willing to meet CHAMPUS requirements may participate. The pharmacist is reimbursed for the acquisition cost of the drug plus a dispensing fee which has been set for each State.

Each eligible beneficiary must first meet a deductible requirement of \$50 per year--or \$100 per year per family--and pay a co-insurance charge of 20 or 25 percent, depending on beneficiary status.

No formulary requirements are involved.

The average prescription price in 1967 was reported to be about \$4.15.

Veterans Administration. In 1967, the VA purchased drugs and biologicals costing \$39.5 million for use in its own hospitals and pharmacies, and also procured drugs for other Federal agencies, such as the Public Health Service and the Office of Economic Opportunity.

Of the drugs used in VA pharmacies, about 86 percent are purchased from some 250 manufacturers who have been approved by on-site inspections. Each VA hospital has its own drug formulary of about 700 to 2,000 items developed by its own pharmacy and therapeutics committee, and tailored to fit the needs of the institution. The