patient received in the hospital. What is the result? After discussion with the pharmacist the patient is not convinced that he received the proper medication. The next natural thing to do is to contact the physician in order to determine if the medication dispensed is in fact the one prescribed. Unfortunately the physician cannot identify the generic drug by its shape, size, and color and must contact the pharmacist to determine if an error was made or if the patient actually has the medication which was prescribed. If you were that particular patient I'm sure that your confidence would be thoroughly shattered.

Senator NELSON. May I interrupt, Doctor? I would like to make the point that exactly the same thing happens all the time. As I said, 88 percent of accredited hospitals of America have a formulary. Every witness we have had from every major hospital has a formulary and uses generic drugs in the formulary. So to use your argument, the patient is in the hospital; the hospital gives him a generic brand drug. It is a little round red one. He gets out of the hospital, goes to the doctor and the doctor prescribes the little round yellow one and you shatter his confidence. Nonsense.

Dr. ALFANO. I can only testify from my experience. In my experience, if I prescribe a trade name drug, that is what the patient gets in the hospital. If I discharge the patient and the law requires that they substitute a generic drug, then they get a different one.

Senator NELSON. All I am saying is it works both ways. All the major hospitals in America are using a formulary. In those hospitals, the doctors are using the drugs in their formulary with rare exceptions. So the patient leaves the hospital, goes to another doctor, gets a little red pill instead of a little yellow one and his confidence is shattered. I must say even if it is shattered, it is shattered both ways.

Dr. ALFANO. I do not believe the formulary system is the way you understand it, really. The physicians on the staff, the formulary committee will make up a formulary and the drugs of choice are listed on that formulary. It is not made up primarily as a cost limit for the hospital.

Senator NELSON. Oh, it is a very important part of the cost. We have witnesses testifying to that. As I pointed out, one hospital saved a quarter of a million dollars a year.

Dr. ALFANO. If you are stating the formulary is made up for cost reasons, I condemn that type of system. I think the patient is the primary consideration.

Senator NELSON. I did not say that at all. All I am saying is the formulary is made up by a group of doctors representing the disciplines practiced in the hospital. I am just repeating what the expert testimony is, that using the knowledge and experience of a group of physicians who make up a formulary. It is expected that the doctors will use it and they do use it. They do have a caveat that if the doctor insists, has some reason to use a particular brand or another, he is completely free to do so. But this is an exception to the rule, not the rule.

So all I am saying is that in these hospitals, lots of patients are getting a generic drug. When they leave the hospital instead of getting a little round red one, they get a little round yellow one, a brand name. I simply submit that if it shatters their confidence one way, it shatters their confidence the other way. But I would be amazed if a great deal