However, if you take out the 81 percent, sir, that could not have been bought competitively, we bought 33.72 percent competitively of that part on which competition was available.

Senator NELSON. What was the reason it could not be bought competitively?

Mr. WHITWORTH. Well, sir, we buy sole-source procurement for three basic reasons. One, that is the only source available—obviously.

Senator NELSON. When you say the only source, are you saying it was the only brand name——

Mr. WHITWORTH. There was only one manufacturer who manufactures the item.

Senator NELSON. Only one manufacturer made the particular drug that you desired?

Mr. WHITWORTH. Yes, sir; and, two, only one source met our standards. Competition is ostensibly available, but only one source—only one product—meets the VA standards.

Senator NELSON. What percentage of your purchases did that involve—where there was more than one drug but only one source met your standards?

Mr. WHITWORTH. Well, sir, we are running into a little problem here. You are talking about $91 million total procurement, and we are talking about now the central procurement. We have given you data on that, but in answer to your question, I would have to say about two-thirds of the items on which competition was available we did not seek competition on 33 percent—33.72 percent in 1969—of the items that we could have bought competitively we did buy competitively. The balance, sir, we did not buy competitively for three reasons.

Mr. JOHNSON. As I understand your question, Senator, and I confine my remarks to the central procurement, but of those items that are manufactured by more than one manufacturer, but with only one manufacturer meeting our standards in 1969, about 12½ percent of our purchases were made on that basis.

Senator NELSON. Did you give the third reason, the third category?

Mr. WHITWORTH. I am sorry, sir, I did not hear you.

Mr. JOHNSON. The third category is to satisfy professional requirements, only source available, only one source meeting standards, and to satisfy professional requirements.

Senator NELSON. What does that mean, "professional requirements"?

Dr. WELLS. That is largely a matter of the opinion of the physician prescribing. In other words, we do not impose upon the physician an administrative direction that he must use a particular drug, but allow him a range of selection, this particularly applies to our fee-basis physicians.

Mr. JOHNSON. You see, today, sir, there are over 90,000 physicians on a fee basis as compared with 3 or 4 years ago of only half that number, and there is some problem of controlling. There is also a matter of professional judgment involved here, so that there is more of the possibility of brand names, rather than generic names, used in the outpatient treatment, and as I stated earlier in the testimony, the outpatient usage today is greater than the inpatient usage, and this only took place in 1968.