VETERANS' ADMINISTRATION—SOLE SOURCE PROCUREMENT

We purchase drugs sole source for the following reasons:

1. Only source available.
2. Only one source meets established standards.
3. To satisfy professional requirements.

A number of drugs required for treatment of patients are available from only one source and therefore competition cannot be obtained.

Standards have been established for manufacture, quality control, housekeeping and testing requirements for firms who sell drugs to the VA. These standards are universally applied and must be met by all manufacturers supplying the VA.

We procure drugs sole source when this is necessary to satisfy the prescription as written by the physician. We are responding to requests for filling prescriptions written by over 90,000 non-VA physicians in our service-connected outpatient program alone. These physicians are not on our staff and although efforts are made to contact them by phone to suggest available equivalent medication, it is not always possible to obtain their permission for dispensing a therapeutic equivalent. We are supplying drugs to fill 11 million prescriptions by VA pharmacies at considerable savings over what we would pay to have the same prescription filled in community pharmacies.

Physicians prescribing for VA patients are requested and encouraged to use generic terminology whenever possible to permit more standardization of drug procurement. The two forms used by physicians to order medications for patients, namely, VA Form 10–1158 "Doctors Orders" and VA Form 10–2577d "Prescription Form", contain statements authorizing dispensing of another brand of a generically equivalent product, identical in dosage form and content of active ingredients. If the prescribing physician doesn't agree to use of a generic product he must check in an appropriate place provided on the form. This encourages him to use the generic product but permits him to express his professional right to prescribe a particular item he feels is essential in treatment of the patient.

Senator NELSON. On page 24 in the Task Force on Prescription Drugs, there is a statement by the Task Force on rational prescribing which I ask be printed at this point in the record.

(The material follows:)

[Excerpt, Task Force on Prescription Drugs—Report and Recommendations—Committee Print, 90th Congress, 2d Session—Subcommittee on Monopoly of the Select Committee on Small Business, U.S. Senate—Prepared by the U.S. Department of Health, Education, and Welfare, Aug. 30, 1968, page 24]

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Rational prescribing

The appropriate selection of a drug—the right drug for the right patient, in the right amounts at the right times—is generally defined as rational prescribing, and any significant deviation is considered to be irrational prescribing.

Rational prescribing is obviously the result of judgments on many points—the safety and efficacy of the drug for the clinical problem at hand, the advantages or disadvantages of alternative forms of therapy, the most appropriate dosage form, the length and intensity of treatment, the possible side effects or adverse reactions, and the possibility of drug interaction.

To these may be added judgments concerning relative costs.

Rational prescribing is clearly a major goal for the welfare of patients. It is likewise a major goal for any drug insurance program. Here, emphasis has been placed not directly on achieving rational prescribing but rather on preventing some of the more serious or costly forms of irrational prescribing. Among the latter are these:

The use of drugs without demonstrated efficacy.

The use of drugs with an inherent hazard not justified by the seriousness of the illness.

The use of drugs in excessive amounts, or for excessive periods of time, or inadequate amounts for inadequate periods.

The use of a costly duplicative or "me-too" product when an equally effective but less expensive drug is available.