physicians prescribing for our inpatients and outpatients to use generic terminology or nonproprietary nomenclature whenever possible. The two forms used by physicians to order medications for patients, 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 does not agree to the use of a generic product he must check in the 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 if he feels he can justify the request.

When we can be assured of effective safeguards to adequately assure that chemically equivalent drugs are also biologically and therapeutically equivalent, we promote actively the use of generically procured drugs. At this time in the critical review and challenge of our historical methods of assuring the safety and efficacy of drug products, we are proceeding with greater caution. There is increasing evidence that many of the drugs marketed for some years as chemically equivalent drugs meeting USP or NF standards will not produce the same clinical response in patients. I am certain this Subcommittee is aware of the National Academy of Sciences/National Research Council "white paper" which recommended that manufacturers of generic drugs available on the market for some years be required to prove that their products have the same therapeutic effectiveness as the original drugs they seek to imitate. As I stated earlier this entire area is one in which there are divergent views. The promotion of generic equivalent procurement and the criticism of marketing of so-called "me too" drugs is an example of the dichotomy of views. Generically equivalent drugs almost universally enter the market as "me too" drugs. We will continue to develop the program of generic procurement when this will produce lower drug costs to us. However, we will not sacrifice the assurance of optimum patient care by use of questionable therapeutic agents merely to obtain the lowest price available. Until increased scientific knowledge and more precise standards are available to us, we must continue to exercise our own best judgment in the selection of therapeutically equivalent drugs.

Your staff has expressed interest in our policy toward the use of combination drugs. It is our policy to discourage the use of these drugs. We do not prohibit their use when the prescribing physician determines that a combination drug is required for his patient. It is noteworthy that over 86% of the expenditures in our central drug program were for single entity drugs during a period when the combination drugs were enjoying an increasing share of the national market.

We, of course, continually monitor our drug program to guard against use of drugs producing previously unsuspected adverse reactions. We participate in the Food and Drug Administration's adverse reaction reporting system, both providing and receiving data from them on a regular basis. Information on adverse reactions is promptly disseminated to our hospitals and clinics and drug recalls handled through a system of double safeguards. In addition to the notifications provided through the FDA drug recall system, we also inform our stations on those items which are standardized for our use. There have been several instances lately where either the safety or effectiveness of specific drugs have been called into question prior to actual suspension or recall. We alert our hospitals and clinics to these by special announcements, telegrams, or other prompt notifications. If these items are procured through our central procurement program, we either discontinue procurement or purchase minimum quantities to meet only immediate needs pending resolution of the controversy. The decision as to continued use of a product under special review is left to the prescribing physician, but with the assurance that he is fully informed of any findings about the possible continued marketing of the drug.

There is widespread evaluation under organized and controlled studies in the Veterans Administration into the uses of and efficacy and safety of drug products. In addition to these organized individual and cooperative studies, there is continuing evaluation in the everyday practice of medicine by our staff of 5,000 physicians. The dissemination of the knowledge from these sources has continually contributed to the improved health care not only of veterans but the entire nation. Several major medical breakthroughs, such as the chemo-therapy used in treatment of tuberculosis, either originated in our Veterans Administration medical research or were possible because of our