Mr. GORDON. Have you noticed any difference in quality of the products bought directly as against going through the VA or DSA or purchasing directly?

Mr. BRANDS. To my knowledge, no, sir; there is no noticeable difference in quality that could be actually documented.

Mr. GORDON. Now, the HEW Task Force Report on Prescription Drugs has made the following recommendation:

> The Department of Health, Education and Welfare should conduct a continuing survey of drug costs, average prescription prices and drug use.

What is your organization doing to keep down the cost of drugs?

Dr. STEINFELD. I think the best thing we can do to keep down the cost of drugs is to provide information on the relative efficacy and safety of some of the old established drugs which are not patented any more, and to provide the information that has been developed by the National Academy of Sciences and National Research Council on combination drugs to the prescribing physician with the hope that he will do the rational thing.

Mr. GORDON. Is this the study that you are making at present?

Dr. STEINFELD. We have a man working now for the Department in the Health Services Research and Development Center of the Health Service's Mental Health Administration, in Dr. Paul Lazarow's operation, Dr. Donald Brodie, who did a drug utilization study which was published April 1, 1970. He is now working full time with Dr. Lazarow, and, hopefully, developing mechanisms that will improve drug utilization and control.

Mr. GORDON. That is drug utilization. How about other aspects of the drug pricing?

Dr. STEINFELD. I think what we can do——

Mr. GORDON. Not what you can do. What are you doing at present?

Dr. STEINFELD. I think what we are doing at present is making available to the medical profession the results of the Task Force on Prescription Drugs and implementing the NAS–NRC findings.

Mr. GORDON. The staff has prepared a table which compares some of the prices paid by the Public Health Service, VA, and DSA, and I ask, Mr. Chairman, that this be inserted in the record at the appropriate place.

Senator NELSON. All right.

Mr. GORDON. For example, the Defense Supply Agency paid for oxytetracycline $3.96 for a hundred, whereas the PHS paid $8.63. Was it not possible to buy through the DSA?

Dr. STEINFELD. I should hope so.

Mr. GORDON. Why the difference in price?

Mr. BRANDS. I would have to check that, sir. I believe the volume we purchased on oxytetracycline was purchased locally under a Federal supply schedule contract instead of from DOD.

Mr. GORDON. The Medical Letter, as Senator Nelson has stated on several occasions, has said that there is no clinical difference between