

duce the total number of drugs that we are required to carry in stock, still providing for the best drug therapy available.

Next, we are making a pilot study of methods of bringing more firsthand knowledge about drugs to bear at the point of prescribing. At hospitals in Baltimore, Md., Gallup, N. Mex., and Crow Agency, Mont., clinical pharmacists who are particularly knowledgeable are making clinical medical rounds with physicians; in this way the latest information about drug effects, contraindications and incompatibilities is available to the physician as he decides what medication to employ for each patient. If this experimental procedure gives the expected results, it will be expanded to other hospitals.

Later there is a total utilization review, performed at each installation or group of installation, during which a peer committee reviews the entire care afforded a patient during his hospital stay. Among other things this covers the drugs that were used, and the reasons for using them. Through such "audits" we are able to detect opportunities for improved patient care and act upon them. I submit copies of the guidelines for total utilization review as issued by the Indian Health Service and the Federal Health Programs Services.

When a hospital determines what drugs it requires it purchases most of them through the Veterans Administration and the Military Defense Support Center (almost 59% in fiscal year 1969). Both the Veterans Administration and the Center make inspections of drug manufacturers prior to awarding contracts for drug supplies and have the drugs that are supplied on contract tested to be sure they meet specifications. We do not further test the drugs obtained from these sources.

If the drugs a hospital needs are not available from the Veterans Administration they are secured from the Public Health Service Supply Service Center at Perry Point, Maryland. The Center purchases from drug companies that have contracts under the Federal Supply Schedule. In some cases these drugs are repacked to provide special sizes that are needed in the Federal hospitals. Before making a direct purchase, the Perry Point installation determines that the supplier has been inspected and found acceptable either to the Veterans Administration or to the Military Defense Support Center. If it has not been inspected by one of these groups, we make our own inspection to determine that the firm is an acceptable supplier. If the prospective supplier has been inspected and found not acceptable to one of the other agencies, then we do not purchase from that firm.

Drugs purchased directly by the Perry Point installation are tested in quality control laboratory at that point for quality and purity before being distributed to the hospitals for use.

You have also expressed an interest, Mr. Chairman, in the use we make of the combination drugs. Based on cost, over 80% of the drugs purchased by the Public Health Service are single entity products. Over half the combination drugs consist of large-volume injection solutions and measles vaccine combined with immune globulin. The remaining products, making up the group generally regarded as combination products accounts for less than 8% of the drugs purchased. Thus, it is apparent that while we do not issue any directives from Washington banning the combination products, the informed actions of the experts in the hospitals who decide what to put in their formularies has led over the years to a significant emphasis on single entity drugs. I think this is good. There are some combination products that serve a very useful purpose and will continue to be employed. But a lot of them do not contribute to good medical practice.

I believe, Mr. Chairman, that our drug procurement operations have successfully contributed to our goal of making available to the Public Health physicians and their patients safe effective drugs that meet recognized standards of purity and strength and that contribute to rational drug therapy. I thank you for the opportunity to present this statement.

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