the utilization review process, the peer committee looks at the initial quantity of medications prescribed and the dosage adjustment, multiple prescribing and drug-strength selection.

While all health centers have not reached the degree of sophistication and experience needed for a smoothly functioning utilization review program, several of the centers have started toward this goal.

OEO'S INTEREST IN PROMOTING RATIONAL DRUG THERAPY

Recognizing the importance of utilization review and its role in improving the quality of health care, neighborhood health centers are attempting to promote rationale drug therapy in the context of the team approach to health care. As just stated above, rationale drug therapy means prescribing the right pharmaceutical, supply or device for the right patient, at the right time, in the right amounts and with due consideration of the relative costs of alternative forms of therapy, expected clinical results, possible side effects, the most appropriate dosage form, the length and intensity of treatment and the possible effects of drug interaction. One very important part of rationale drug therapy concerns acquisition costs.

The Office of Health Affairs is presently preparing a listing of selected drugs which are purchased by each health center. Information has been obtained from a representative number of programs indicating their sources of supply and the amount paid for the products. This information will be sent to health center officials to alert them to the fact that drugs presently prescribed by physicians may be able to be obtained less expensively through a different market segment than the one they are presently using.

In addition, the Office of Health Affairs staff routinely reexamines the pharmacy portion of the refunding proposals of all health centers. The anticipated number of prescriptions and/or requests for drugs are evaluated in terms of the center's service population. Assistance is given to the health centers when it is necessary to modify their budgetary estimates or procurement practices. This assistance is structured toward making more effective utilization of funds and more consistent use projections.

That concludes the statement, Mr. Chairman. If there are any questions we will be glad to respond.

Senator NELSON. I have some comparative prices here. I suppose the problem you state is complicated in that you may have some small operations in various parts of the country where it is necessary to buy retail. I would like to put these comparisons in the record. But I notice that in the acquisition of chlordiazepoxide—Librium—500 tablets, OEO paid $38, that DSA paid $13.20, and that the Red Book price was $32. This was a purchase, as I understand it, by OEO itself, an in-house purchase, not a retail market purchase, is that correct? Maybe I am wrong.

Dr. BRYANT. Which drug are you referring to?

Senator NELSON. Chlordiazepoxide. It is under table 1, "In-House Pharmacy Drug Purchases," by that you mean purchases by OEO itself.

Dr. BRYANT. No.