

Dr. BRYANT. The professional fee may be on top of that.

Mr. GORDON. Do you ever use a 66⅔-percent profit, or is it only on a fixed-fee basis?

Mr. PUGLIESE. It depends on how the medicaid program in the State reimburses retail pharmacies. We follow that pattern.

Mr. GORDON. I see.

Mr. Chairman, I ask that these data be put in the record at the appropriate place.

Dr. BRYANT. I think one of the things you are alluding to, the point you are making, which I think is a valid one, is that you go through the figures that we have and prove that it does indeed cost more or it takes more OEO dollars to buy pharmaceuticals from local pharmacies in many instances. The local pharmacies are not able to buy at competitive prices as GSA or VA hospitals.

One of the points that I wanted to stress is that we like to do business with local pharmacies. We encourage local pharmacists to come into the comprehensive health care team. That means encouraging local centers if the wishes of their communities are to continue to utilize existing community pharmacies, if we can upgrade the services provided by those existing community pharmacies, then we are all for it. We encourage that. We like for good local pharmacies to be active establishments in these neighborhoods. You do sometimes run into cost differentials when you do that, however. It is one of the prices you pay.

Senator NELSON. Thank you very much, Doctor. We appreciate your taking the time to come here today. Excuse me. Did you have a question?

Mr. JONES. No.

Senator NELSON. I will ask that certain documents and insertions be placed at the end of yesterday's record, which I neglected to take care of yesterday.

Thank you.

(The complete prepared statement and supplemental information submitted by Dr. Bryant follows:)

STATEMENT OF DR. THOMAS E. BRYANT, ASSOCIATE DIRECTOR FOR HEALTH AFFAIRS, OFFICE OF ECONOMIC OPPORTUNITY

INTRODUCTION

The Comprehensive Health Services Program of the Office of Economic Opportunity is seeking more effective ways to make high quality health care available to poor Americans for whom such care has frequently been inadequate, inaccessible, impersonal, fragmented and undignified.

The current effort is based on three fundamental assumptions. First, all Americans are entitled to an equal opportunity for quality health services. Second, good health is critical, if one is to realize the benefits of educational and employment opportunities and to take other steps to break the poverty cycle. Third, comprehensive health services for the poor require significant changes in current practices in order to overcome traditional barriers and to ensure that such services are fully responsive to urgent needs.

The programs of the Office of Health Affairs, Office of Economic Opportunity include five principal activities:

1. Comprehensive Health Services, including Neighborhood Health Centers;
2. Family Planning Services;
3. Drug Rehabilitation;