it is due to purchasing the drug from a different supplier. A second difficulty results from the distributing system. For the most part the procurement of pharmaceuticals through Veterans Administration has been satisfactory. However, there have been some unexplained time lags between the ordering and consequent receipt of drugs which have necessitated ordering in the open market at higher prices per unit. Other problems relate to administrative issues. Early in the development of the health care program, drug volume may be only modest. Therefore, it is impractical to order pharmaceuticals from the VA or have special agreements worked out with pharmaceutical manufacturers. In other instances, due to the relatively small number of patients being seen by physicians, it is a better utilization of management time to purchase through nonfederal sources of supply. This practice requires a minimum of time being devoted to purchasing aspects and maximum time for the direct delivery of health services.

PRESCRIBING PATTERNS

The Office of Health Affairs, Office of Economic Opportunity has encouraged the adoption of drug formularies in all Neighborhood Health Centers whether or not the program utilizes an in-house pharmacy. The formulary concept enables all professional staff to become acquainted with the clinical aspects of the drugs considered most useful therapeutically and the amounts of medication needed to arrest a disease. The formulary concept does not interfere with medical practice; however, it does create a climate in which health practitioners can strive to attain better therapeutic results with patients. Various centers which utilize formularies have different policies concerning the restraints which are placed upon prescribing physicians. Some programs require written authorization to dispense a product which is not contained in the formulary. In other programs the physicians are encouraged to prescribe those items in the restricted drug listing.

Health Centers usually evaluate a patient's progress on a continuing basis, using a peer group of health professionals. Part of their review involves the prescriptions written by physicians, to see whether the medication prescribed was appropriate for the condition diagnosed, whether the quantity prescribed was sufficient and whether the number of prescriptions utilized was excessive. During 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, 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 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 re-examines 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.