

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 8037

Recently a series of actions impacting upon the operation of P and T committees and the formulary system have been taken or are planned within each of the major Federal drug procurement agencies. For example each of the agencies has directed the distribution of the Food and Drug Administration's recently published list of "ineffective" drugs to their local medical facilities with the recommendation or requirement that the drugs no longer be used.

Public Health Service has also taken action to more fully develop possible approaches to effective drug utilization reviews, as recommended in the report of the Department of Health, Education, and Welfare's Task Force on Prescription Drugs. A research study of the methodology and feasibility of this technique is currently underway.

We believe that the recent actions related to the drug selection process, if properly implemented, should improve control over drug operations at the local level. In implementing such actions we believe that emphasis should be placed on providing physicians employed by the Federal Government with appropriate information concerning available drugs to assist them in making decisions relating to drug therapy.

Keeping physicians informed is most important because the physicians' decisions guide the drug selection process. Unless this process is based on the best information available, even an otherwise efficient supply function may be uneconomical.

During our visits to local medical facilities we noted specific actions by P and T committees which we believe are