

Mr. Chairman, we welcome the opportunity to appear again before this subcommittee to discuss further the policies and practices of the Veterans' Administration in the selection and acquisition of drugs and medicines used in providing medical benefits to the Nation's eligible veterans. At the outset, I would like to state that this subcommittee's efforts have been salutary in stimulating a searching review by Federal agencies into their practices in the selection and use of drugs. In our own case, this review included examination into our current methods of collecting, evaluating, and disseminating information on the effects and efficacy of drugs, examination of the results in terms of which drugs were most commonly used in the Veterans' Administration, and a reexamination of our policies to see if they were sound and if we could improve upon their interpretation and execution.

This subcommittee's expressed interest is in the drug purchasing practices of the Federal Government. The determination as to which drugs will be prescribed for patient therapy is a professional one and procurement practices are designed to obtain quality drugs requested by physicians, as economically as possible. The development of hospital formularies is monitored by the Therapeutic Agents and Pharmacy Reviews Committee with the inclusion or exclusion of a drug being determined by knowledgeable peer action.

Senator NELSON. Doctor, when you testified before, we raised the question of hospital formularies—the development of the formulary and therapeutics committee and the drugs that are placed on the formulary. As I recall, the explanation for a number of drugs of the formulary which were expensive or ineffective was that you didn't feel you could argue with the doctors who make the requests.

Now, this statement here could be interpreted to be saying that the selection of drugs is a professional one which would mean professional in the sense that you use the best professional knowledge available and that the inclusion or exclusion of a drug is determined by knowledgeable peer action.

If that is the case, how do you explain the substantial purchases of Darvon, Peritrate, Terramycin, for all of which there is an equivalent drug that is cheaper or, as in the case of Peritrate, the testimony of your own VA Hospital medical investigator is that they couldn't find any use for Peritrate?

Dr. WELLS. Well, Mr. Chairman, as you know, there are many areas of disagreement about the specific drugs as to their effectiveness or efficacy, and that would certainly be true of Peritrate, less so of Darvon.

Now, as to our committees: the committee that I refer to here is a committee at each hospital which monitors the drug program. In addition we have a central office committee that monitors the programs from Washington for the hospitals in the field.

Now, the person here who has had most action in this and who heads the group in our Washington office is Dr. John Chase. Perhaps he could give you a little background on how this committee has functioned in the past and at present.

We will go into this a little further in the statement.