

Dr. Chase, would you care to address yourself to that?

Dr. CHASE. Senator, this is set up in a sequential fashion. By that I mean administratively that each hospital has a requirement to organize a therapeutics committee which is normally chaired by the chief of staff of the hospital, and the membership of the committee is composed of the chiefs of the major clinical services with the pharmacist being the recording secretary for the committee.

The actions of this committee are accomplished by the physicians of that hospital staff. If they wish to have a drug entered into the formulary they must complete an application with supporting documentation which goes to the committee—

Senator NELSON. Supporting documentation?

Dr. CHASE. Supporting documentation on the drug. In other words, a search of the bibliography, some indication that this drug has merit and that they wish to use this particular drug with their patient groups and they want to have that drug entered into the formal structure of the hospital formulary.

The committee reviews this. It may have sufficient expertise within its own body to render a judgment or it may call upon outside people to assist them in their actions.

They may take several forms of action. They may actually deny the inclusion of the drug in the formulary. They may include it, or they may restrict the use of the drug to a specific patient, or group of patients.

Most of our hospitals are urged to review their entire formulary on a recurring basis. I can't honestly say how frequently or how well this is done but we are constantly generating from central office information which goes to the field, some documentation of which you have in your packet here, directing them to review their drug practices both in terms of therapeutic effectiveness as well as the cost-benefit relationship.

Senator NELSON. Well, I hear what you are saying but frankly it doesn't impress me. What you are really saying, I think, is that you may or may not have a good formulary based upon how it is run at the local level; that you are approving the purchase of drugs which the Medical Letter recommends and are not purchasing drugs for which the Medical Letter or other authoritative sources say there are equivalent drugs which are much cheaper. You say the doctor has to submit justification. Well, would you submit to the committee what justification any doctor in any one of your hospitals supplied in the form of scientifically controlled studies showing that Peritrate was an effective drug, and that Darvon was better as an ordinary analgesic than aspirin, or that any of the tetracyclines are better than tetracycline hydrochloride.

We can't find any such studies. So I am wondering what your doctors submitted to the formulary committee to convince them to put it on the formulary.¹

Dr. CHASE. Senator, I believe that, to repeat Dr. Wells' statement previously made, in this particular area of therapeutic effectiveness,

¹ See appendix V, letter to Mr. Benjamin Gordon, Majority Counsel, Monopoly Subcommittee, from Lyndon E. Lee, Jr., M.D., Assistant Chief Medical Director for Professional Services, Veterans' Administration, pp. 8466-8485.