

patent by the Government. At least one such suit is currently pending in the Court of Claims involving the Veterans' Administration purchase of the drug meprobamate. In addition to the questions of suits for the use of patents, there are several other major policy questions to be considered if a drug is to be procured from foreign sources. In any procurement action we are governed by statutes and regulations and national policy regarding balance of payments, the Buy American Act, special assistance to economically depressed areas. It is difficult to arrive at a rational judgment as to when to purchase drugs from someone other than the patent holder and especially from foreign sources when weighing these considerations against purchase cost alone. As we mentioned previously, even though a product is marketed from foreign sources at a significant price differential, we are still not free to procure it unless the Food and Drug Administration has approved an effective New Drug Application for its importation into and use in this country. Title 21, Code of Federal Regulations 130 extends this requirement to Federal agencies as well as to individuals and organizations.

I believe the actions we have described today will bring about a continuing, long-range improvement in the selection process of those drugs we include in our hospital formularies and which we purchase. It could result in some economies in drug procurement; it should result in assuring that our policy of rational drug selection and use is carefully and thoughtfully followed. As the Administrator of Veterans' Affairs testified to this subcommittee on August 11, 1970, this subject is both complex and complicated, and one in which there is continual controversy. We do not feel that the physicians practicing in and for the Veterans' Administration have a callous and cavalier attitude toward the cost of drugs prescribed and purchased from public funds. We do not believe cost is the primary factor in selecting the drug of choice, nor do we believe it should or can be. The physician, in selecting the drug for treatment of his patient, chooses the one which he considers the most effective. In making his choice, he is confronted with a large number of drugs, for which there are sometimes conflicting claims, a division of opinion among the experts, contradictions between his own clinical experience and judgment and the reported controlled test results. You may be interested to know that Veterans' Administration facilities have established policies restricting detailing activities of pharmaceutical representatives. Generally, these policies prohibit indiscriminate detailing and sampling of physicians. Provisions are made for appointments between physicians and representatives where specific information is desired.

We are very much interested in the forthcoming publication by the American Medical Association of a drug compendium. We feel much greater efforts along this line are needed to assist the physician in his selection of drugs. We believe that while some data are now available from some publications, there is not always a sufficiently broad consensus to persuade the physician that his choice is clear. One of the National Academy of Science/National Research Council panelists testified before this subcommittee that the black and white of expert testimony with respect to drug effectiveness is simply not