

Mr. AHART. That is correct, Mr. Chairman. The regulations have not yet been issued to implement the policy with respect to the medicaid program. As the Comptroller General mentioned, we issued a letter just yesterday to the Social Rehabilitation Service, which has the responsibility for the administration of the program, bringing this to their attention and bringing to their attention the information which we have obtained on the extent of use in certain States of ineffective or possibly effective drugs under the medicaid program and suggesting that it take action to implement this policy as quickly as it can and asking it to advise us as to what it is going to do.

Senator NELSON. Well, do you have any figures in your statement that indicate the amount of money spent in the past year and a half since Dr. Steinfeld's announcement of departmental policy, how much Federal funds have been spent on purchasing "ineffective" drugs under the program of medicare and medicaid and the amounts spent on "possibly effective" drugs?

Mr. STAATS. Mr. Chairman, if you will turn to page 22 of our prepared statement, there is some information that I think bears on the question that you have raised. This refers to the program in one State, Mississippi.

Senator NELSON. This is just for the State of Mississippi?

Mr. STAATS. I am sorry, there follows also at the bottom of that page Illinois and New Jersey; then Ohio on the following page.

I believe we have it just for those four States.

Senator NELSON. Are these just on "ineffective"?

Mr. STAATS. It covers both.

Senator NELSON. On page 23, it appears that—

Mr. STAATS. That covers only ineffective.

Senator NELSON. So that in the State of Ohio, just one State, the total amount spent was \$138,032. In what period is that?

Mr. STAATS. Four months.

Senator NELSON. So in just a 4-month period \$138,032 was spent on ineffective drugs.

Do you have the "possibly effective" information?

Mr. CROWTHER. No, we do not.

Senator NELSON. What percent of that \$138,032 is Federal money?

Mr. CROWTHER. Approximately 50 percent.

Senator NELSON. And the other under these programs comes from—

Mr. CROWTHER. State and local money.

Senator NELSON. So in a 4-month period alone, in one State, the Federal Government has wasted \$70,000 on purchasing drugs that are classified as ineffective, and the State of Ohio and the local municipalities have spent \$70,000 on drugs that are rated as ineffective?

Mr. STAATS. I believe that is correct.

Senator NELSON. Who did this study?

Mr. CROWTHER. GAO.

Senator NELSON. So you have not done it for every State?

Mr. CROWTHER. No, sir; the information is not available in many States. We were fortunate enough to be able to arrange with the selected States' computer operations to have them run a summary of particular selected drugs that we knew were "ineffective" and were able