

STATEMENT OF DR. BENJAMIN B. WELLS
DEPUTY CHIEF MEDICAL DIRECTOR
BEFORE
THE SUBCOMMITTEE ON MONOPOLY
OF THE
SELECT COMMITTEE ON SMALL BUSINESS
UNITED STATES SENATE

JUNE 21, 1972

Mr. Chairman and Members of the Committee:

We are pleased to appear before this Subcommittee to discuss the current policies and practices of the Veterans Administration, Department of Medicine and Surgery, in reference to the prescribing, dispensing and procurement of drugs. In Fiscal Year 1971, our expenditure for drugs amounted to \$64.5 million, or about 3% of our total cost of medical care. Drugs and pharmaceutical preparations are, of course, a vital part of the physician's armamentarium in the care and treatment of veterans. Their proper selection and use is a critical factor in the quality of medical care provided by this agency. During the past year, we have devoted a great deal of time and effort to the assessment of our professional and administrative practices that relate to this area.

Policy on Rational Drug Prescribing

Since our last appearance before this Subcommittee, we have thoroughly re-examined our policy on rational drug prescribing. In the course of this study, we have considered relevant information from other federal agencies; we have reviewed the data developed by this Subcommittee; and we have conducted a complete audit of our management procedures in the drug field using a team of outside consultants. We have secured the advice of academic pharmacologists, officials of the United States Pharmacopeial Conference, officials of the