

8630 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Dispensing Prescriptions of Fee-Basis Physicians

In its medical care program, the Veterans Administration employs a full time staff of approximately 5,400 physicians. This staff is supplemented by use of approximately 100,000 physicians who are primarily engaged in the private practice of medicine. We reimburse these physicians on a fee-for-service basis. These fee-basis physicians write approximately 2,870,000 prescriptions per year for veteran patients. These prescriptions are usually mailed to VA pharmacies for filling. In addition, fee-basis physicians write about 650,000 prescriptions that are filled in private pharmacies and the bill sent to the VA for payment. Obviously, we cannot maintain the close relationship with fee-basis physicians that we have with our full time staff physicians. Private practitioners are inclined to prescribe the types and brands of drugs that they routinely select for their non-VA patients rather than those items which may be stocked in VA pharmacies and warehouses. For this reason, we frequently find it necessary to purchase items that are not regularly stocked by our system. Our hospital pharmacists, within the limitations of their manpower, regularly contact the fee-basis physicians to ask if they will accept the substitution of a generic equivalent when a brand item has been requested. The pharmacist also provides information concerning the effectiveness or reliability of a particular product, and, when indicated, he attempts to persuade the physician to accept items regularly stocked in lieu of special procurement. For several years, we have used a spot check procedure on these prescriptions to assure ourselves that veteran patients are being treated with generally accepted therapeutic agents. Our Executive Committee on Therapeutic Agents has recently proposed an in-depth review of a predetermined percentage of all fee-basis prescriptions to more accurately