Senator NELSON. A hundred thousand. That is about half the physicians in the country, is it not?

Dr. LEE. Yes, sir; and it is increasing.

Senator NELSON. What is the procedure? The physician writes a prescription, if the patient takes it to a local pharmacy, the pharmacist then bills the local Veterans' facility—is that the way that works?

Mr. HARDING. That is right, sir, he bills the local VA facility that has jurisdiction in the region where that patient is located.

Senator NELSON. Would you submit for the record a copy of the letter which you have sent out?

Dr. LEE. We will be happy to submit for the record a series of these, and a series of these releases which have gone to our hospitals if you are interested, sir.

Senator NELSON. We would appreciate having those for the record.

Mr. GORDON. On page 7, about two-thirds of the way down, you say:

It is his further responsibility to make available to the professional staff information on prices, relative costs of various drugs, and any other product information which may be useful in the selection of drugs.

Now, this is almost impossible to apply to the hometown program, is that correct?

Dr. WELLS. It makes it very difficult, because we simply do not have as much access to the hometown physician or to the fee basis physician as we do to our own hospital staff. This becomes relatively easy to control in-house with our full-time staff. But it becomes exceedingly difficult to handle when we have the fee basis physician; and as Mr. Harding says, we often do not even know who he is until after the prescription comes in for payment.

Dr. LEE. Further complications lay, Mr. Chairman, in the fact that in our affiliation with 93 medical schools, the prescription patterns usually reflect in the medical school programs the things which are going on there, and we are subject to the necessities of attempting to get our people to fit what we think and to have that rationalized with the practices which are dictated by the medical school and its teaching.

Mr. GORDON. Then you really have no control. The only thing you do, your function, then is merely to pay the bill upon receipt. Isn't that right?

Dr. WELLS. I would not really say it is quite that bad, because we have an educational access to them which, again referring to Mr. Harding's statement, we try to make as much use of as we can. When this man is identified, we try to let him know what is in the pharmacy in his area through the formulary and through the access to our publications on them. So it is an educational process; in some instances after the fact, admittedly. But nevertheless, I think we will undoubtedly see this move along.

Mr. HARDING. I might say as a further control, as these prescriptions come in, we make a very strong effort to change the physician's prescriptions or get him to change to something we have in the formulary. We call him up, or we have our director of outpatient clinic or the physician call him, explain to him what we have. We send him a copy of our formulary. We are working this way all the time, but it takes quite a while to cover this many physicians.

Senator NELSON. Do you have a formulary in all of your 168 hospitals?