Here is Librium for $13 under direct purchasing. Under FSS, it is $27.72, or $31.50. There is a vast difference. It may not be 850 percent, but it is more than 50 percent in certain cases.

Mr. COOK. Mr. Gordon, I think the tables from which you are reading, the central purchase prices happen to be our own for our own central distribution system.

Mr. GORDON. Yes; this is data supplied by you.

Mr. COOK. Yes, sir. And that is the primary source for our hospitals. There is a variety of reasons why they may have used the Federal Supply Schedule, some of them not good reasons. But some of them, when we analyzed the data, showed that time was the essential factor. They needed something today, so they purchased it through a local distributor of the Federal Supply Schedule contract. In other instances, they should not have done so and we are taking steps to correct that.

Dr. WELLS. This group of purchases, you know, are monitored very carefully, both through the pharmacy and the supply services. This is the purpose of our periodically sending them letters and we have sent a great many of them all the time, asking them why this digression. So we try to watch this on a day-to-day basis. But it is a big system and occasionally, something will slip through.

Senator NELSON. Do you keep any comparative statistics on what is prescribed in each of the 168 hospitals?

Dr. WELLS. Yes. By trying to see what we have in the way of prescribing patterns at individual hospitals?

Senator NELSON. Yes.

Dr. WELLS. As a matter of fact, this is one of the studies that our central office therapeutics committee has been undertaking for quite some time. We try to make this comparison and see if it is rational, see if we can find out when differences lack explanation what goes here, what is the trouble.

Senator NELSON. When did you start that program?

Dr. WELLS. That particular kind of review has been about a year?

Mr. HARDING. About a year now since we began it.

Senator NELSON. Your objective is to be able to evaluate what the prescribing practices are within each one of the hospitals under your jurisdiction?

Mr. HARDING. Yes.

Senator NELSON. And that is a continuous, ongoing study?

Mr. HARDING. That is an ongoing continuous thing, yes.

Senator NELSON. What do you do with the information accumulated?

Mr. HARDING. The more information we get on this, the more we will be able to work toward developing some type of control on things that they are using or may be using in certain areas that we have found out our physicians have decided are not as important in other areas. So we are going to disseminate this information to all of the stations throughout the whole region, throughout the whole United States.

Senator NELSON. Thank you very much, gentlemen. We appreciate your statement and your taking the time to come here today.

We are recessed subject to call of the Chair.

(Whereupon, at 11:45 a.m., the subcommittee was adjourned, subject to the call of the Chair.)

(The letters referred to follow:)