

Now, are you saying that nothing has been done to carry out those policies?

Mr. SEGGER. I am saying that the two agencies involved, SRS and SSA, have come forward with notices of rulemaking. In one case it was published last fall and we have received comments on that. The other one was recently submitted by the agency and is being reviewed in the Department. We want to be sure, before we go forward with the regulations, that they can be effectively administered and not just express another pious statement of policy. At this point there are complex questions of how we can do it with the resources available, how we can possibly get into the prescription of individual drugs through the mechanisms of these huge programs. And, particularly, we want to avoid anything which would put the burden back on the patient, if indeed the doctor goes ahead and prescribes a drug for which we have said the Federal Government would not provide reimbursement.

Senator NELSON. Perhaps you are familiar with a study made of the use of the drugs under the Mississippi medicaid program, done by Alton B. Cobb, M.D., and others. Dr. Alton B. Cobb is director of the Mississippi Medicaid Commission. They found, among other things, that the top ranking drug by amount spent was Indocin in 25 milligram capsules. The top ranking drug by number of prescriptions was Darvon Compound 65, which is described as irrational by the Drug Evaluations of the AMA's Council on Drugs. On page 5 of the study we find:

It is interesting to note that among the ten leading drugs ranged by total amount paid, five drugs are specified as "not recommended" or as "irrational mixtures" by the AMA Drug Evaluations 1971. Also, one drug among the ten has been classified as "possibly ineffective" by the Food and Drug Administration. This indicates an overall negative relationship between popular usage of drugs and the evaluation of their efficiency and safety by the AMA Council on Drugs and the FDA. It is suggested that this represents a fertile area for professional education.

That study indicates that top-selling drugs were irrational combinations or only "possibly effective." I wonder how widespread that is in Medicaid programs throughout the country!

Mr. SEGGER. It is a largely decentralized program. It undoubtedly varies from State to State.

I would like to reiterate the point that I have made, however, that the way we are trying to attack this problem basically is through the process of education and information, as well as through the process of taking drugs off the market through the Food and Drug Administration's regulatory machinery.

I would point out that earlier I mentioned that the Food and Drug Administration now requires package inserts and advertisements to reflect efficacy evaluations, while clinical evidence is being sought to establish whether the drug is or is not effective for each indication.

In other words, the physicians should know what the story is in this process.

Senator NELSON. But I would suppose that for most prescriptions written, the physician doesn't see the package insert, which is in the hands of the pharmacist.