

and "possibly effective" ratings would be revised following minor formulation or labeling changes. Items in category 1A (classified "ineffective" and removed from the market) continue to be excluded from procurement and use. Items in category 1B (classified "ineffective" but allowed to remain on the market pending final resolution) are reviewed by the Defense Medical Materiel Board in conjunction with the Surgeons General to determine whether centrally procured stocks are to be withdrawn from issue and use. Procurement of "possibly effective" drugs is authorized where no alternative means of therapy is available and/or final determinations on their efficacy are expected to take extended periods of time. Stockage levels of these items are reduced both centrally and locally to reduce loss in the event that the item is finally classified "ineffective" and removed from the market.

Mr. Chairman, in closing I want to assure you that the Department of Defense is deeply committed to reducing the cost and improving the procurement and supply of drugs. The plans and actions which I have described here today are all designed to insure that our patient is getting a quality product at the lowest reasonable cost to the government.