

10450 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Senator NELSON. Our next witness is Dr. Lyndon E. Lee, Jr., Assistant Chief Medical Director for Professional Services, Department of Medicine and Surgery, Veterans Administration.

Dr. Lee, the committee is very pleased to have you here this morning.

If you will identify your associates for the reporter and for the hearing record, we will appreciate it.

STATEMENT OF DR. LYNDON E. LEE, JR., ASSISTANT CHIEF MEDICAL DIRECTOR FOR PROFESSIONAL SERVICES, VETERANS ADMINISTRATION, ACCOMPANIED BY ROLAND F. HARDING, DIRECTOR, PHARMACY SERVICE; CLYDE C. COOK, DEPUTY DIRECTOR, SUPPLY SERVICE; DR. EUGENE M. CAFFEY, JR., DEPUTY DIRECTOR, MENTAL HEALTH AND BEHAVIORAL SCIENCES SERVICE; DR. RICHARD PARKER, CHIEF, INFECTIOUS DISEASE CONTROL, VA HOSPITAL, WASHINGTON, D.C.; JAMES FRANCESE, JR., CHIEF, QUALITY ASSURANCE, MARKETING CENTER, HINES, ILL.; AND JOHN T. MANNING, ASSISTANT GENERAL COUNSEL

Dr. LEE. It is a pleasure.

On my immediate right is Mr. Clyde Cook, Deputy Director of our Supply Services. On my immediate left is Mr. Harding, Director of the Pharmacy Service, and John Manning, Assistant General Counsel sitting next to Mr. Harding. We have also Dr. Eugene Caffey, who is Deputy Director of the Mental Health and Behavioral Sciences, Dr. Richard Parker, Chief of Infectious Disease. We also have with us Mr. James Francese, Jr., Chief of our Quality Assurance, Marketing Division for Drugs and Chemicals in our Marketing Center in Hines, Ill.

Senator NELSON. You may go ahead. Your statement will be printed in full in the record. You may present it in any way you desire.

Dr. LEE. Thank you, Mr. Chairman.

We welcome the opportunity to appear and to discuss with you the management of our program for the rational selection and dispensing of drugs, and the Veterans Administration procurement practices in support of our drug requirements. In summary, the total cost of the drugs used by this agency in fiscal year 1973 was slightly more than \$86 million.

Senator NELSON. Does this involve the direct procurement by VA?

Dr. LEE. Yes.

Senator NELSON. But does it include drugs for veterans for which they are reimbursed?

Dr. LEE. No, sir.

Senator NELSON. What would that total, about?

Dr. LEE. About 5 million more, sir.

Senator NELSON. 5 million more?