

a special reason for not prescribing the particular available brand on the formulary. Why could not the VA do that?

Dr. LEE. Since the testimony we gave you, we have continued to use rather the carrot than the stick to see if we cannot get our physicians to carry through just as you suggested. We feel there has been an increase in the use of generic drugs. However, as we look at the question you have raised and which is further along in testimony on the use of formularies, we would like to summarize our policy.

Every reasonable effort is being made to treat every patient with the most effective therapeutic agents which we think are indicated, and we procure these at the most favorable price we can obtain. Since there are differences of opinions we do not rigidly restrict professional practices by administrative direction.

We continue to rely on therapeutic agents and pharmacy review committees at each of our field stations to carefully screen all drugs approved for use at their stations in order to insure that the most effective products are selected for inclusion in that hospital's formulary. We continue to monitor the minutes of these meetings at the VA central office and provide an overview of their various practices at stations, and we continue in the central office a Commission on Therapeutic Agency for policy statements, for operational coordination, and for over-viewing in our stations. We feel that this is a fairly tight schedule.

Mr. Cook. Senator, I would also like to observe that there are more physicians practicing in the VA hospitals who are not Federal employees than those who are.

Senator BEALL. On that point, Doctor, how many general practicing physicians who are working on a fee basis are aware of the cost of drugs?

Dr. LEE. I have no idea.

Senator BEALL. Does anybody inform them from the Federal Government that you can get a specific drug from different companies, and that X company sells it for so much, Y sells it for—

Dr. LEE. The first question, I have no way of knowing.

The second is: Do we inform these people? Yes, we do. We have made lists of these drugs through out hospital and we continue to try to educate them, and we feel that that is perhaps the best way to get at it. I am pleased to note the chairman on TV the other night also stated education seemed to be the best mode of approach.

Senator BEALL. With the expansion of the Federal Government's role in health delivery through the HMO legislation and this year probably the passage of some sort of national health insurance legislation, the Federal Government is becoming more involved and has a greater interest in drug procurement as an aspect of health care delivery. Has the American Medical Association shown any inclination to inform its members as to the relative cost of the drugs they may be using? Do you know this as a doctor?

Dr. LEE. I know they have made some various efforts but that has not been a part of our particular educational campaign.