

Senator NELSON. Let me finish the question. I am only reciting the facts thus far.

I understand that, though this was developed by the Government as it clearly was, and is a big seller, when VA seeks to purchase the drug, Merck refuses to give any discount, well, only 3 percent which is not enough to warrant buying it through your central purchasing system.

Dr. LEE. It is correct. We are purchasing approximately a million dollars worth of that drug a year at the present time. The historic study of hypertension and control of mild hypertension thereby controlling severe hypertension and stroke and so forth, was initiated in VA by Dr. Freis. He demonstrated that early treatment of hypertension did prevent the frequency of cardiovascular attacks, both coronary and stroke. As a matter of fact, he won the Lasker Award 4 years ago for that particular finding. Having done so, we felt that his findings demonstrated to the Veterans Administration that we had best see if we could not apply this in patients.

Senator NELSON. Which drug was this?

Dr. LEE. This research finding was the fact that treatment for hypertension will sustain these people longer. There are several drugs which can be used in this area.

My point is at the present time, we have screened well over 100,000 patients who have other than hypertensive problems and find that approximately one-third of these people have what by definition is a hypertensive level that needs to be followed. Of that one-third, half of them need treatment. What I am saying is that this is a big problem, that it is increasing and that there will be a lot more purchases of these anti-hypertensive drugs. A policy needs to be developed not only on the Heart Institute's finding on the Aldomet itself but we are all getting into this problem of early hypertension and stroke. This is a problem.

Senator NELSON. Well, now that I realize NHI developed the use, it shocks me that they would not get a use patent for this drug. It bothers me more that they have given the Merck Co. a very valuable drug, and the company would not even give VA a break on the purchase price; what is your observation about that?

Mr. Cook. Senator, this is the largest single drug item which we procure from our Federal Supply Schedule. It is not the largest use item in the Agency.

Senator NELSON. It is the largest item on the Federal Supply Schedule, and it is \$1 million a year?

Mr. Cook. Yes, sir.

Senator NELSON. And as Dr. Lee just testified, it will be larger?

Mr. Cook. Yes.

Senator NELSON. And it amounts, to about—what do you say are the total purchases?

Mr. Cook. Last year it was \$86 million. It will be \$112 million this year.

Senator NELSON. It is a large item. I just wonder what your reaction is or what does Merck tell you when you negotiate with them