

determining the reasonable price of a drug product. It is complex in that the selection of which drugs to use must be made from among thousands of possible choices, relying upon the memory, ready reference and experience of many persons making these choices. We feel the need for education of physicians on those prescribing practices which will result in minimizing the cost of drugs is an area where we can assist; but it is one which can best be met through the combined efforts of the Federal Government, the medical academic community, those responsible for providing support to health care delivery programs, and the Congress in its deliberations upon national health programs. We believe the soundest approach to rational selection of suitable drugs at reasonable costs is through education of physicians, patients, and support personnel, and that we should promote the widest dissemination of information on the relative quality and efficacy of drug products marketed in this country. Where reasonable doubt exists on the relative quality and efficacy of competing products, it should be resolved by appropriate research and clinical testing, and our staff is exceedingly active in a great deal of this, including the hypertensive drugs. We are engaged in a VA effort internally and are ready to utilize the resource in assisting, if you like, in a wider Federal program to achieve these goals, the education, obviously the dissemination of the various drug usages, the purchases and controls, and we are happy to go forward with this committee and think there has been a good deal of progress made in the past few years.

Senator NELSON. Thank you very much, Doctor.

I have one final question. I note from your statement that \$34 million out of the \$41 million central purchasing are sole source items. The question I would be interested in is how many different compounds does this represent? This is what I am getting at. Panels of the National Academy of Sciences-National Research Council concluded that tetracycline—I do not want to present this as a quote—would be the drug of choice of that particular family of antibiotics. There might be some exceptions. But you have a whole list of analogs of tetracycline, such as oxytetracycline (trade name: Terramycin) which is much more expensive, chlortetracycline, (trade name: Aureomycin), and as you look at the price schedules of those drugs they are much more expensive. A number of other distinguished witnesses, clinicians who say tetracycline is the drug that ought to be used, although there may be some circumstances when another tetracycline may be helpful. How much of this sole source purchasing is due to the purchase of one of the tetracycline family other than tetracycline itself? Do you have any notion about that? If you do not, could you supply us an example?

Mr. Cook. It is not among these 369. It is purchased by us on a competitive or generic basis. I cannot tell you specifically—

Senator NELSON. You say you purchase tetracycline on a competitive basis?

Mr. Cook. Yes, sir, and we do not have the others in our system.

Senator NELSON. You do not have them in your system?