

installations account for the remaining fiscal year 1973 expenditures for direct drug procurements.

Federal Expenditures for Drugs under
Federally-Supported Health Programs

Available statistical data and agency estimates indicate that about 84 percent of the total Federal expenditures for prescription drugs during fiscal year 1973 were indirect in that they consisted principally of the Federal share of drug costs provided to beneficiaries of health programs supported by the Government. The Medicare and Medicaid programs administered by the Department of Health, Education, and Welfare (HEW) represent the major federally-supported health programs. The Federal Employees Health Benefits Program (FEP) and the Civilian Health and Medical Program for the Uniformed Services (CHAMPUS) are other large programs under which Federal expenditures for drugs are significant.

Federal expenditures for drugs under the Medicare program during fiscal year 1973 were estimated to be about \$674 million--an increase of about \$57 million over the program expenditures during fiscal year 1972. The Federal share of the cost of drugs provided during fiscal year