

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 10503

To improve the direct procurement and supply of drugs by Federal agencies, we recommended that:

- The OMB lead in developing--with representatives of GSA, DOD, VA, and HEW--policies and procedures, including consolidating requirements, to increase agency cooperation in buying drugs and achieve substantial savings through large-volume buys. Field installations should be authorized to obtain their drug requirements from any centralized Government supply source.
- The VA should develop specifications for (1) all new drugs which VA decides to manage centrally, and (2) centrally-managed drugs for which it currently has no specifications.
- The Department of Defense should revise DOD policy to insure that drugs will be obtained centrally whenever savings would result.
- The Department of Defense and the VA should consider jointly developing specifications which would satisfy all Federal agencies' requirements.
- The Department of Defense should (1) develop, for reporting local drug purchases, a uniform reporting