

STATUS OF FEDERAL EFFORTS TO
PROMOTE THE USE OF FORMULARIES
AND ENCOURAGE THE USE OF LOWER
PRICED DRUGS

We will now discuss briefly Federal efforts to reduce drug costs by promoting the use of formularies and encouraging the use of lower priced drugs, including generics.

Department of Defense

Military medical regulations require that Pharmacy and Therapeutic (P&T) Committees be appointed by the commanders of U.S. military hospitals. Among the primary functions of P&T Committees are the development and periodic review and revision of the hospitals' drug formularies. In making decisions concerning the addition or continuation of formulary items, the P&T Committees consider the relative costs of therapeutic alternatives.

In addition to the general use of formularies by the services, the Surgeons General and subordinate administrative levels issue monthly newsletters or special letters to health facilities highlighting comparative prices of drugs maintained in central inventories and encouraging the use of less expensive drugs when they are considered to be therapeutically equivalent to more expensive items. Prescriptions written