

10516 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Actions Taken by the Veterans Administration

Since December 1970, VA's policy has continued to be that all "ineffective" drugs must be removed from VA hospitals except where special approval of the Central Office Executive Committee on Therapeutic Agents has been obtained. Also, VA's policy concerning "possibly effective" drugs continues to require that consideration be given to using an alternative product having a higher FDA effectiveness classification.

To strengthen the policy's implementation, the VA is furnishing a list of drugs ordered to be withdrawn from the market to the P&T Committees at each VA facility which buys or dispenses drugs. Further, a current statement of VA policy on the use of drugs is now being developed by the Central Office Executive Committee on Therapeutic Agents for distribution to all VA facilities.

Actions Taken by the Department of Health Education and Welfare

As we testified in May 1972, HEW's policy was that Federal funds shall not be spent for "ineffective" drugs except under approved clinical research projects, or for "possibly effective" drugs, except under similar projects or when alternative means of drug therapy are not available. In October 1971, HEW agencies involved in direct patient care were instructed to stop procurement and use of such drugs and to