

--The Secretary of Defense and the Administrator, VA, should consider using a standardized coding system, such as the National Drug Code, for identifying local purchases of drugs not having Federal stock numbers. (See p. 29.)

--The Secretaries of Defense and HEW and the VA Administrator should review the frequency and type of inspections required and the related changes needed to facilitate the transfer to FDA of all quality assurance responsibilities pertaining to purchases of drugs by Federal agencies. (See pp. 33 and 34.)

AGENCY COMMENTS AND UNRESOLVED ISSUES

DOD, VA, GSA, and OMB expressed interest in and general agreement with these aims. OMB and VA pointed out the need to consider total economic costs in determining whether consolidated procurement would be economical. This data has not been developed, and it may be a long time before it is available.

Meanwhile, opportunities exist for effecting economies and improvements within the present state of management data and operating methods, and GAO believes that action to take advantage of the opportunities should not be delayed until such data becomes available.

DOD and VA expressed reservations as to whether FDA could provide the types of inspections they require on a timely basis. HEW stated that it would discuss with DOD and VA officials the quality assurance requirements, needed resources, and other pertinent matters. HEW also said that it would take necessary action to transfer to FDA all quality assurance activities if it found that this would be in the best interest of the Government.

MATTERS FOR CONSIDERATION
BY THE CONGRESS

This report shows how Federal drug procurement, supply, and inspection functions could be improved and could save the Government money.