

plier at his expense. Perhaps the fact that the firms from whom we buy generic items know that each lot will be tested is a contributing factor to our record of high quality items.

On generic procurement of drugs, this has brought significant savings to the VA. The amount saved because of generic procurement cannot be computed with absolute accuracy. Cumulatively, from 1972 to the present size, we estimate our generic procurement has resulted in a total savings of some \$4 million. These dollars saved by generic procurement of drugs, however, are not the only dollar savings we feel we have benefited from through these intensified efforts, stimulated in fact by this committee.

Let me illustrate, if you will, what can be achieved through generic procurement of drugs with the following two examples. We could give you a great many more.

With Nitrofurantoin in 50 mg, in thousand lots, our last brand name purchase was in March of 1973, and that was at \$43.56. Approximately 2 years later our last generic buy, compared to \$43.56, was \$3.95.

Another example, if you like, is Bisacodyl suppositories in 500's. The last brand name buy was in January 29, 1974, at \$78.57. Thirteen months later our last generic buy was approximately half that, \$38.

The CHAIRMAN. These were on competitive bids, then, I take it?

Dr. LEE. Yes.

The CHAIRMAN. Yes the same companies that sold to the Veterans' Administration for \$43 did bid on the competitive bid?

Mr. WHITWORTH. They bid, sir, but they were not successful.

The CHAIRMAN. Do you know what their bids were on these two drugs?

Mr. WHITWORTH. We could supply it for the record, Senator. We do not know.

Dr. LEE. We did not put that in the illustration. We will be glad to add it.

The CHAIRMAN. It would be interesting to have it for the record.

I assume then that was a negotiated purchase at \$43. Is that right?

Mr. WHITWORTH. That is correct, sir. That was on schedule B, the negotiated part of the Federal supply schedule contract.

The CHAIRMAN. I think it would be useful for the record to give us a list of the competitive bids, including and identifying the one that bid \$43, and what they bid on the competitive bid in 1975.

Mr. WHITWORTH. Senator, if I might, on example No. 2, the same manufacturer gave us the last brand name buy as well as the last generic buy, as a matter of interest.

The CHAIRMAN. So the same company that sold the suppository 500's at \$78.57 in January 29, 1974, won the competitive bid in February 26, 1975?

Mr. WHITWORTH. That is what I am saying, sir.

Dr. LEE. At half the price.

We will add a third column in this and give you some examples, sir.

The CHAIRMAN. All right.

Thank you, sir.