

and Budget, OMB, guidance on improving the management of medical materiel. In June 1971, as Dr. Lee has indicated, OMB requested that all Federal agencies involved in procuring, supplying, and using drugs, medical items, and nonperishable subsistence items participate under OMB's leadership in an interagency study.

The purpose of the study was to provide an economic analysis of the management of these items and to make appropriate recommendations for achieving effective and economic government-wide support for drugs, medical, and nonperishable subsistence items.

The interagency study group completed extensive fact finding and submitted its report and recommendations. The report received the official support of all appropriate agencies. In the interim, the General Accounting Office issued its previously referenced report. In June 1974, OMB directed that an interagency committee be established to implement the recommendations of the study group. This committee was established in September 1974, and specifically directed to develop a system for Government-wide management of medical and nonperishable subsistence items. This Committee consists of a Chairman from the GSA Office of Federal Management Policy, and one representative each from the Department of Defense, Department of Health, Education, and Welfare, General Services Administration, and Veterans' Administration.

To expedite the development of an effective and responsive management system, the committee established various task groups to perform specific functions. Accordingly, a task group to determine criteria for defining categories of medical items, was established. The purpose of this group is to develop criteria by which medical items can be categorized in order to make purchasing assignments in a manner that will preclude overlap and duplication in the Federal agencies. The task group consists of representatives from DOD, HEW, GSA, and VA.

The preliminary report of the task group provides for an integrated system in which noncataloged, locally purchased items would be reported through a data collection system, screened and recommended for item entry and subsequent stockage. The items not recommended for central stockage would be screened against other predetermined criteria for assignment of a national stock number and management on a nonstocked basis.

This task group is continuing its effort and is currently expanding the following concepts and procedures: (1) A method of collecting data on noncataloged locally purchased items which would be candidates for item entry, (2) a procedure for item entry and review, (3) a procedure to determine the best method of supply, (4) a procedure to determine the best method of procurement to include the appropriate procuring agency, (5) a method of collecting and maintaining usage data on items in the systems that are designated nonstocked, (6) the development of a Federal supply catalog which would contain all the items in the system, (7) an examination of the impact of the implementation of the task group's recommendation on the Federal establishment.

We anticipate that the report of the task group will be completed within the next 60 days.