

11866 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

4. The Secretary of Defense and the Administrator, VA, should consider jointly developing specifications which would satisfy all Federal agencies' requirements.
5. The Secretary of Defense should (1) develop, for reporting local drug purchases, a uniform reporting system aimed at requiring all military activities with individual drug purchases exceeding specified criteria to report their purchases, and (2) require centrally-managed drugs purchased from other than a central manager to be reported.
6. The Administrator, VA, should require that VA's Central Office Supply Service (1) prepare lists of summary and exception data from the drug purchase information reported, (2) require local field stations to report their purchase data correctly and consistently, and (3) see that all vendors report detailed sales data when required by contracts.
7. 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.
8. 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.

AGENCY ACTIONS TO ACHIEVE CENTRALIZED MANAGEMENT OF DRUG PROCUREMENT, SUPPLY, AND QUALITY ASSURANCE PROGRAMS

OMB

In June 1971, OMB had proposed that an interagency study--under its leadership--be undertaken to provide an economic analysis of the management of drugs, medical items and nonperishable subsistence items and to make appropriate recommendations for achieving effective and economical Government-wide support for the items. OMB observed that although other