

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 11869

details remained to be worked out, the Committee members have reached general agreement as to the essential features of the proposed management system. The Chairman stated that the Committee envisions that the capability which exists within DOD and VA can be used extensively in the implementation of nearly every aspect of the new system.

According to the Chairman, under this system, each item selected for centralized management will be procured by only one agency--either DOD or VA. As of April 11, 1975, no decision had been made (1) regarding the items which would be centrally managed or (2) concerning which agency would be given purchase responsibility for specific groups of items ultimately selected for centralized management.

The Chairman emphasized that although the concept of the proposed system has received general acceptance within the Committee itself, it has not been formally reviewed or accepted by the agencies involved. He noted that there are several matters which remain to be considered prior to the implementation of the system such as (1) acceptance by the supplying industry, (2) acceptance by physicians and other health care professionals, (3) practical problems involved in reassigning management responsibilities, (4) maintenance of capability for meeting national defense needs for drugs and medical items, and (5) financial management matters including determining the appropriate administrative and handling charges to be passed on to using agencies. The