

11884 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Our quality complaints have now, and always have been, few, and this is probably a tribute to the thoroughness of the inspections of the Food and Drug Administration, whose personnel have, for many years, tested every lot of these drugs delivered to our depots for central distribution. Only those lots approved by FDA enter our system. Those disapproved are returned to the supplier 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.

Generic procurement of drugs has brought significant savings to the Veterans Administration. The amount saved because of generic procurement cannot be computed with absolute accuracy. Cumulatively (from 1972 to the present date), we estimate that our generic procurement has resulted in a total savings to date of over four million dollars. Dollars saved by generic procurement of drugs, however, are not the only dollar savings we feel we have benefitted from through our intensified efforts, stimulated by this Committee's interest. Let us illustrate what can be achieved through generic procurement of drugs, with the following two examples of many we could give.

Example #1 Nitrofurantoin 50 mg. 1000's

Last brand name buy	\$43.56	(3/1/73)
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Last generic buy	\$ 3.95	(3/3/75)
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Example #2 Bisacodyl suppositories 500's

Last brand name buy	\$78.57	(1/29/74)
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Last generic buy	\$38.00	(2/26/75)
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