

DRUG DEALS

QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Departments of Defense & Veterans Affairs
- **FUMBLE:** \$100 million annual drug deal for VA and DOD
- **HOW TO RECOVER THE BALL:** Congress should align the structure, statutory parameters, and regulatory guidance across the VA and DOD prescription-buying programs to increase buying power and reduce costs

Most families and businesses know the value of quantity purchasing power. This is a lesson the DOD and VA should learn. In 2012 DOD and VA separately purchased drugs for 18.5 million beneficiaries at a cost of \$11.8 billion.

GAO surveyed 83 common drugs purchased by both departments and found that by purchasing the drug at the lower of either DOD's or VA's price, the taxpayer could have realized a combined savings of \$120 million in 2012.²³⁰ GAO also found inconsistencies in prescription drug purchasing across Medicare, Medicare-Part D, and DOD. Of the 78 common drugs sampled, Medicare paid the cheapest price, with Medicare-Part D and DOD overpaying by as much as 69 percent.²³¹

Imagine two grocery stores selling milk at \$2.00 and \$2.70, respectively. Would anyone buy the milk at \$2.70? Of course they would not, but that is basically what DOD and VA pay. Americans are savvy shoppers; DOD and VA should be as well.

RECOVERY

Those who wore the cloth of our nation have earned the best treatment, best care, and, if needed, the best medicine possible. But if the DOD and VA both buy the same medication, then they should go together to more cost-effectively buy medicine from the private sector. Congress should work with the DOD and VA to ensure they have the proper process and authorization to jointly purchase the medicine needed by our nation's finest.

For more information, please visit:

[GAO: Prescription Drugs: Comparison of DOD and VA Direct Purchase Prices](#)

[GAO: Prescription Drugs: Comparison of DOD, Medicaid, and Medicare Part D Reimbursement Prices](#)