



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE

28 February 2002

MEMORANDUM FOR MAJCOM MEDICAL LOGISTICS OFFICES

FROM: HQ USAF/SGML
1423 Sultan Drive, Suite 200
Fort Detrick, MD 21702-5006

SUBJECT: Pharmacy Supply Costs and Product Price Comparison (PPC) Policy

1. Health Affairs (HA) policy 9700059, Policy on Conducting Pharmacy Price Analysis, directed all DoD MTFs to accomplish pharmacy price analysis on generically equivalent drugs at least annually. Today's business practices have become faster and more efficient. Pharmacy personnel are increasingly more aware of pharmacy supply costs and fiscal prudence. Also, there are numerous alternatives to the PPC available to support selection of the most cost efficient products. Further, the PPC is available on the Defense Supply Center Philadelphia's (DSCP) web site for easy access by the Pharmacy community. For these reasons, and in coordination with the Air Force Medical Service (AFMS) Pharmacy Consultant, the responsibility for researching cost savings opportunities has been transferred from the Medical Logistics Flight Commander (MLFC) to the Chiefs of Pharmacy.

2. Policy

a. Medical Logistics Flights (MLF) are no longer responsible for documenting results from the PPC. This change supercedes the requirement in AFMAN 23-110, Vol V, para 16.37, which will be reflected in the next revision. Under the oversight of the Pharmacy and Therapeutics (P&T) Committee, changes to lower priced items should be coordinated with Medical Logistics to ensure consumption data is accurately reported to the Prime Vendors (PV). MLFs should also provide compliance data to the P&T Committee pertaining to the use of mandatory contracts. A list of mandatory-use contracts is available on the DSCP website at: <http://www.dmmonline.com/dmmonline/pharm/contractlist.asp>

b. MLFs are required to validate PV pricing. The validation process is outlined in a flow chart on the Air Force Medical Logistics PV web site at: <https://www.afmml.ft-detrick.af.mil/afmlo/fom-p/pvmenu.htm> under the "Prime Vendor Payment and Pricing Validation" link. Articles posted to this link also provide instructions on price validations. Results from the pricing validation process should be kept on file at each activity.

c. MLFs should continue their close working relationship with Chiefs of Pharmacy to maximize cost effectiveness in PV program.

3. Please disseminate this policy change to appropriate MAJCOM and Medical Treatment Facility Leadership. My POC for this issue is Capt Jason Ortiz at DSN 343-4168 or jason.ortiz@ft-detrick.af.mil.

A handwritten signature in black ink, appearing to read "James P. Moreland".

JAMES P. MORELAND, Col, USAF, MSC
Chief, Medical Logistics Division
Office of the Surgeon General

cc: HQ AFMOA/SGZC

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