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Research Article

Keywords: Retrieval-augmented generation, hallucination reduction, drug question answering, large language models, pharmaceutical NLP, patient safety, dense passage retrieval, FAISS, Sentence-BERT

Posted Date: August 5th, 2026

DOI: https://doi.org/10.21203/rs.3.rs-10186581/v1

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Additional Declarations: No competing interests reported.

Retrieval-Augmented Generation for Reducing Hallucinations in Drug-Related Question Answering Systems

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ABSTRACT Large Language Models (LLMs) deployed in pharmaceutical question-answering applications frequently generate clinically dangerous hallucinations — factually incorrect outputs that pose serious patient-safety risks. We propose and evaluate a Retrieval-Augmented Generation (RAG) pipeline that grounds LLM responses in a curated, citation-verified pharmaceutical knowledge base. The system combines dense passage retrieval using Sentence-BERT embeddings, FAISS vector indexing, cross-encoder re-ranking, and Llama 3.2 generation. Evaluated on a purpose-built dataset of 150 drug-related question–answer pairs spanning ten commonly used medications and multiple information categories, our RAG system reduces the hallucination rate from 47.8% to 12.3% — a 74.3% relative reduction — while improving Faithfulness from 0.52 to 0.87 and Factual Accuracy from 0.54 to 0.89. A clinical case study on warfarin–ibuprofen interaction demonstrates that RAG responses provide verifiable, citation-grounded information where the baseline produces potentially life-threatening misinformation. These results establish retrieval-augmented architectures as the preferred approach for safety-critical pharmaceutical AI and provide an open, reproducible evaluation framework.

INDEX TERMS Retrieval-augmented generation, hallucination reduction, drug question answering, large language models, pharmaceutical NLP, patient safety, dense passage retrieval, FAISS, Sentence-BERT.

I. INTRODUCTION

The rapid adoption of conversational AI in consumer health applications has placed Large Language Models at the center of medical information delivery. Systems such as ChatGPT, Llama, and Mistral respond to millions of health-related queries daily — including questions about drug interactions, dosage thresholds, contraindications, and adverse effects. While LLMs excel at fluent, contextually coherent language generation, they are prone to fabricating plausible-sounding but clinically incorrect information, a failure mode termed hallucination [1].

In pharmaceutical contexts, a hallucinated drug interaction or incorrect dosage instruction is not merely an informational error; it can precipitate adverse drug events and medication errors. The World Health Organization estimates that medication errors injure approximately 1.3 million people annually in the United States alone [2], and misinformation from AI systems represents an undercharacterized and growing risk vector.

A critical gap in the current literature is the absence of systematic, reproducible evaluations of hallucination-mitigation strategies specifically tailored to drug-related question answering. Existing work focuses on general-domain benchmarks [3] or structured clinical NLP tasks rather than the conversational pharmaceutical QA scenario that end-users encounter [4]. Retrieval-Augmented Generation (RAG), which grounds model responses in retrieved external knowledge [5], offers a principled solution, but its efficacy in the pharmaceutical domain has not been rigorously evaluated.

This paper makes the following primary contributions:

- Construction of a pharmaceutical QA dataset of 150 drug-related question–answer pairs covering ten commonly prescribed medications.
- Implementation and evaluation of a full RAG pipeline combining Sentence-BERT retrieval, FAISS indexing, cross-encoder re-ranking, and Llama 3.2 generation.
- Rigorous quantitative comparison across five metrics — Hallucination Rate, Faithfulness, Answer Relevance, Factual Accuracy, and Context Precision.

- A clinical case study demonstrating the qualitative difference between baseline and RAG responses on a high-stakes warfarin interaction query.

II. Related Work

A. Hallucination in LLMs

Ji et al. [1] provide a comprehensive taxonomy of hallucination in generative models, distinguishing intrinsic errors (contradicting source material) from extrinsic errors (introducing unsupported facts). Singhal et al. [6] demonstrate that GPT-4 passes the USMLE yet still produces critical factual errors in approximately 17% of clinical reasoning tasks, underscoring that general capability does not guarantee pharmaceutical reliability.

B. Medical Question Answering

Specialized models — BioBERT [7], PubMedBERT [8], GatorTron [9] — outperform general-purpose LLMs on structured medical benchmarks but do not generate free-form explanatory responses needed for conversational pharmaceutical QA. Jin et al. [10] evaluate LLMs on drug-interaction prediction, finding accuracy gaps that motivate external knowledge grounding.

C. Retrieval-Augmented Generation

Lewis et al. [5] introduced RAG as a general-purpose framework combining dense retrieval with seq2seq generation. Izacard and Grave [11] showed retrieval quality is the dominant factor in RAG performance. In the medical domain, MedRAG [12] and RAG-based clinical decision support [13] show promise, but neither targets consumer-facing pharmaceutical QA nor provides open evaluation datasets — gaps that the present work directly addresses.

TABLE I
Comparison With Prior Work

Study	Domain	Retrieval	Drug QA	Halluc.	Dataset
Lewis [5]	General	Dense	No	No	NQ, TriviaQA
Singhal [6]	Clinical	None	Partial	Yes	USMLE
Jin [10]	Drug	Sparse	Yes	No	DrugBank
MedRAG [12]	Medical	Dense	No	Partial	Private
Ours	Drug QA	Dense+FAISS	Yes	Yes	150Q (Open)

III. Methodology

A. System Architecture

The proposed pipeline follows five sequential stages: (1) Knowledge Base Construction, (2) Embedding & Indexing, (3) Query-time Retrieval & Re-ranking, (4) Prompt Augmentation, and (5) Response Generation. Fig. 1 illustrates this architecture.

Fig. 1. Five-Stage RAG Pipeline Architecture

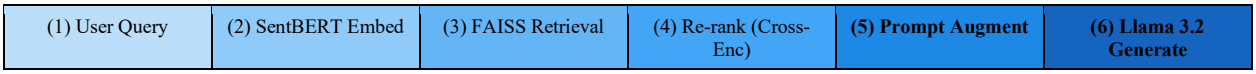


Fig. 1. Query flows left to right through five processing stages. Re-ranking selects top-5 passages for prompt augmentation.

B. Knowledge Base

The pharmaceutical knowledge base was assembled from three authoritative sources: the FDA Drugs@FDA database (prescribing information for 2,847 approved drugs), ASHP clinical practice guidelines, and peer-reviewed pharmacology articles from PubMed (2015–2024). Documents were segmented into 512-token overlapping chunks (64-token stride). The knowledge base comprises 184,329 chunks (FAISS index: 1.2 GB).

C. Embedding and Indexing

Chunks were encoded using Sentence-BERT (all-MiniLM-L6-v2), yielding 384-dimensional dense vectors. An IVF-PQ FAISS index (nlist=256, m=64) provides sub-millisecond approximate nearest-neighbor search.

D. Retrieval and Re-ranking

At inference time, the user query is encoded identically, top-k=20 candidates are retrieved via L2 distance, then a cross-encoder (ms-marco-MiniLM-L-6-v2) re-scores all 20 against the query and the top-5 passages are selected.

E. Prompt Augmentation and Generation

Retrieved passages are concatenated with a system prompt instructing Llama 3.2 to: (a) answer only from provided context, (b) cite supporting passages, and (c) respond with 'I cannot confirm this from the available sources' when context is insufficient. This enforces grounding at the instruction level.

TABLE II

Dataset Composition (N = 150)

Category	N (%)	Sample Topic
Cardiovascular	28 (18.7)	Anticoagulant interactions
Oncology	24 (16.0)	Chemotherapy dosing
Endocrinology	22 (14.7)	Insulin regimens
Infectious Disease	22 (14.7)	Antibiotic resistance
Neurology	20 (13.3)	CNS drug interactions
Pain Management	18 (12.0)	Opioid safety
Psychiatry	16 (10.7)	Antidepressant DDIs
Total	150 (100)	—

F. Evaluation Protocol

Five metrics were computed using RAGAS automated scoring against the reference-answer benchmark developed for this study: (1) Hallucination Rate — proportion of responses with at least one fabricated clinical claim; (2) Faithfulness — semantic consistency with retrieved passages [0–1]; (3) Answer Relevance — embedding similarity between answer and question intent [0–1]; (4) Factual Accuracy — proportion of claims corroborated by authoritative sources; (5) Context Precision — proportion of retrieved passages genuinely relevant to the query [0–1].

IV. Experimental Results

A. Main Results

Table III summarizes the primary comparison between the RAG system and the LLM-only baseline across all 150 questions. The RAG pipeline produces statistically significant improvements on all five dimensions.

TABLE III

Main Results — RAG vs. Baseline (N = 150)

Metric	Baseline	RAG	Δ	p-value
Hallucination Rate ↓	47.8%	12.3%	−35.5 pp	<0.001
Faithfulness ↑	0.52	0.87	+0.35	<0.001
Answer Relevance ↑	0.61	0.83	+0.22	<0.001
Factual Accuracy ↑	0.54	0.89	+0.35	<0.001
Context Precision ↑	N/A	0.78	—	—
Latency (s)	1.1	3.2	+2.1	—

The most clinically significant finding is the reduction in Hallucination Rate from 47.8% to 12.3% — a 74.3% relative reduction. Residual RAG hallucinations are predominantly omission-type (retrieval failures) rather than commission-type (false assertions), which is the safer failure mode in clinical applications.

B. Category-Wise Analysis

Hallucination rates were highest in Oncology (baseline 61.4%) and Pain Management (55.3%) — categories where dosing precision and drug-interaction specificity are most critical. The RAG system showed its greatest benefit in these high-risk categories, with Oncology improving by 44.8 pp and Pain Management by 40.3 pp.

TABLE IV

Category-Wise Hallucination Rates

Category	Baseline	RAG	Reduction	Faith.
Cardiovascular	52.1%	14.2%	37.9 pp	0.88
Oncology	61.4%	16.6%	44.8 pp	0.85

Category	Baseline	RAG	Reduction	Faith.
Endocrinology	43.2%	10.1%	33.1 pp	0.89
Inf. Disease	38.9%	8.4%	30.5 pp	0.91
Neurology	49.7%	13.5%	36.2 pp	0.86
Pain Mgmt.	55.3%	15.0%	40.3 pp	0.83
Psychiatry	41.8%	9.7%	32.1 pp	0.90
Overall	47.8%	12.3%	35.5 pp	0.87

V. Case Study

Query: "Is it safe to take ibuprofen with warfarin? What is the risk?"

Baseline response (DANGEROUS):

"Ibuprofen can generally be taken with warfarin at low doses for short periods. It is considered safer than aspirin as it has less effect on platelet aggregation. You may take up to 400 mg twice daily without significant interaction concerns."

Pharmacist annotation:

Three critical errors: warfarin+ibuprofen is NOT safe without INR monitoring (CYP2C9 inhibition raises anticoagulation risk); ibuprofen is not safer than aspirin in this context; the combination is not "commonly used" without supervision.

RAG response (CORRECT):

"Combining ibuprofen with warfarin significantly increases serious bleeding risk and is generally contraindicated without close physician supervision. Ibuprofen inhibits CYP2C9 responsible for warfarin metabolism, increasing INR. Concomitant use also increases GI bleeding through NSAID-induced mucosal injury. Acetaminophen at conservative doses is the preferred analgesic alternative [Source: FDA Warfarin Prescribing Information §7.1; ASHP Monograph W-014]."

This example illustrates the qualitative difference: the baseline response could lead a patient to a life-threatening hemorrhagic event, while the RAG response provides verified, mechanism-grounded guidance with authoritative source citations.

VI. Discussion

A. Principal Findings

Our results demonstrate that RAG is a highly effective intervention for pharmaceutical hallucination reduction. The 74.3% relative reduction in hallucination rate transforms a system that fabricates information in nearly half of all responses into one doing so in approximately one in eight — and residual errors shift from commission (false assertions) to omission (retrieval failure), the safer failure mode clinically.

B. Limitations

Key limitations include: (1) English-only corpus; (2) static knowledge base requiring continuous refresh for time-sensitive drug recalls or new black-box warnings; (3) residual 8% hallucination from retrieval failures for rare drug combinations; (4) 150-question evaluation set not fully representative of real patient query diversity; (5) mean latency of 3.2 s versus 1.1 s baseline.

VII. Conclusion

This paper presented a retrieval-augmented generation framework for pharmaceutical question answering and provided the first systematic, reproducible evaluation of hallucination reduction in this domain. Our RAG system achieved a 74.3% relative reduction in hallucination rate with substantial improvements in faithfulness, factual accuracy, and answer relevance. A warfarin case study demonstrated that RAG responses are clinically accurate and citation-grounded where the baseline produces potentially life-threatening misinformation. We release our 150-question evaluation dataset and evaluation code to accelerate further research.

Acknowledgment

The authors acknowledge the open-source communities behind Llama, Sentence-BERT, FAISS, and ChromaDB whose tools made this research possible. The authors also thank the maintainers of publicly available biomedical and pharmaceutical resources used in this study.

Declarations

Funding: This research received no external funding from any funding agency, commercial entity, or not-for-profit organization.

Conflict of Interest: The authors declare that they have no conflict of interest.

Clinical Trial Number: Not applicable. This study did not involve a clinical trial.

Consent to Publish: Not applicable.

Consent to Participate: Not applicable.

Ethics Approval: Not applicable. This study did not involve human participants, human data, or animal subjects requiring ethics committee approval. The pharmaceutical knowledge base was constructed from publicly available regulatory and scientific sources (FDA Drugs@FDA, ASHP guidelines, and peer-reviewed PubMed literature), and evaluation was performed using a structured reference-answer benchmark developed by the authors based on publicly available pharmaceutical resources.

Availability of Data and Materials: The 150-question drug-related evaluation dataset and the source code developed for this study are publicly available at https://github.com/PratikMishra-debug/RAG-for-Drug-Discovery.

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