

1 “(B) *Drugs and biologicals shall be determined to*
2 *be qualified drugs only if they can legally be obtained by*
3 *the user pursuant to a prescription of a physician; except*
4 *that the Formulary Committee may include certain drugs*
5 *and biologicals not requiring such a prescription if it de-*
6 *termines such drugs or biologicals to be of a lifesaving nature.*

7 “(C) *In the interest of orderly, economical, and equi-*
8 *table administration of the benefits provided under section*
9 *1832(a)(3), the Formulary Committee may, by regula-*
10 *tion, provide that a drug or biological otherwise regarded*
11 *as being a qualified drug shall not be so regarded when*
12 *prescribed below certain minimum quantities.*

13 “(3) *In determining the allowable expense for any*
14 *quantity of any qualified drug, the Formulary Committee*
15 *shall give due consideration to recognized pricing guides for*
16 *drugs, and of other pertinent factors, with a view to deter-*
17 *mining with respect to each qualified drug a schedule of*
18 *prices for various quantities thereof which reflects the cost*
19 *thereof to the ultimate dispensor of the drug plus a reason-*
20 *able fee for the preparation, handling, and distribution*
21 *thereof to the consumer thereof. In any case in which a*
22 *drug or biological is available by generic name and one or*
23 *more trade names any one of which is different from such*
24 *generic name the cost of such drug or biological, for pur-*