

For example, the formulary committee might include tetracycline as a covered drug. They would determine the wholesale price of a given quantity of tetracycline and then add an appropriate factor covering the cost of handling, etc. That would constitute the allowance for tetracycline. The allowance thus determined would be payable on a generic basis for Achromycin, a brand name for one company's tetracycline, or for any other brands of this drug.

A drug included in the formulary under its generic or established name would also be deemed an eligible drug if prescribed under any of its proprietary or brand names and the scheduled allowance for the drug named in the formulary would also be the allowance for the proprietary or brand name version even though the wholesale costs of such proprietary or brand name items may be greater in price.

Allowances are payable to the beneficiary in the same manner as other part B benefits or he may direct payment to a third party—such as a welfare department by assignment.

The monthly cost of providing this benefit is estimated at 50 cents to the participant and 50 cents to the Federal Government. The participant's share would become part of the regular part B premium. The Federal contribution would, as is the present case with Federal participation in the costs of the part B program, come from general revenues. The cost to general revenues would be offset in part by a reduction in the amount of drug expense deductions on Federal income tax returns.

## V. TECHNICAL EXPLANATION OF THE FOREIGN INVESTORS TAX ACT

For the technical explanation of this title, other than the amendments made by your committee, see the report of the Committee on Ways and Means—House Report 1450. For a discussion of the amendments made by your committee see the general explanation section of this report.

## VI. CHANGES IN EXISTING LAW

In the opinion of the committee, it is necessary, in order to expedite the business of the Senate, to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate (relating to the showing of changes in existing law made by the bill, as reported).