

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-*