

prescription is written. The price may not exceed the price to the general public.

No deductibles or co-insurance requirements are involved in any of the PHS out-of-hospital programs.

Medicare. Data from the Medicare program relating to the cost of drugs provided to beneficiaries in hospitals and extended care facilities are not yet available. However, on the basis of recent studies of drug use in hospitals in general, it is estimated that in fiscal 1967 roughly \$230 million was spent under Medicare for drugs, with about half of this amount representing product cost and the remainder the cost of dispensing and administration. (See Table 1)

Under Medicare, in-hospital drugs must be listed in one of several official compendia or in a formulary established by the hospital's pharmacy and therapeutics committee. Medicare requires that drug charges to the government must be "reasonable."

Public Assistance. Under Medicaid and other public assistance programs with joint Federal-State support, an estimated \$182 million was spent for prescription drugs in fiscal year 1967, of which an estimated \$96.5 million was paid by the Federal Government, (Table 1). Federal-