

3844 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

greater health needs of those receiving public assistance cannot be readily determined.

There was no consistent pattern of vendor payment, with some States reimbursing on the basis of customary and usual charges, some on acquisition cost plus a percentage markup, some on acquisition cost plus a dispensing fee, and some using a combination of percentage markup plus dispensing fee. Several set dollar limits. There was no clearcut relationship between any of these methods and program costs.

Where acquisition cost was a factor in the reimbursing formula, this was generally presumed to be the listed wholesale price, although it is understood that this list price has little if any relationship to the actual acquisition cost. Few States made any efforts through spot audits to determine actual acquisition cost.

Administrative expenses have been estimated to average about 50 cents per prescription, with the lowest cost--about 20 cents--reported in Louisiana. Differences in estimating administrative costs, however, make it impossible to make exact comparisons.