

Among the States studied, none was applying data processing techniques to the extent necessary for effective utilization review.

Only one State--North Carolina--had tested the effect of a deterrent charge to the patient. In February 1967, North Carolina required the recipient to pay the first dollar of the cost of each prescription, and at the same time provided beneficiaries with monthly cash payments from which to pay medical expenses. Within about two months, although the number of prescriptions actually increased, the total cost of the prescription drug program was reduced.

While there seemed to be wide agreement among officials of many States that such a co-payment requirement would probably be a highly effective method of cost control, there was no such agreement on the effect of this technique in limiting the access of welfare beneficiaries to the health care they required.

The influence of limited formularies alone also appears to be questionable. Although the use of a highly restrictive formulary is associated in several States with effective cost control, such control also has been noted in Pennsylvania, with a virtually unlimited