

DRUG CLASSIFICATION AND CODING

Within a few years, it may be expected that prescription drug benefits under existing public and private programs will involve several hundred million prescriptions annually.

Without a universal coding, classification and identification system--a common language for communicating essential information--the administrative and accounting costs for processing such a volume will inflate program costs beyond acceptable limits.

To find methods of coping with this problem, the Task Force appointed ad hoc committees of experts on classification and coding which began a series of meetings in July 1967. In these conferences, criteria were established for a system under which all known pharmaceutical preparations could be identified and desired data stored and retrieved by use of existing and planned electronic data processing techniques and equipment.

Classification

By July 1968, the proposed classification system was in final draft. It is the result of the joint efforts of representatives of the American Medical Association, the