

Mr. STAATS. These are figures since 1970.

Senator NELSON. What was the total?

Mr. STAATS. The total is \$1.3 billion there—it is in my statement.

Senator NELSON. Yes, I see it. You said the increase was how much?

Mr. STAATS. This increase is about \$430 million since 1970, thus it is about 80 percent of the total increase and virtually all of the increase in the reimbursement category is in the medicare and medicaid programs even though there are some other reimbursement programs, such as CHAMPUS. The increases indicated by going back to 1970 are much more significant than those indicated by the increases from 1972 to 1973.

Now if you turn to the next page, page 3, we point out here that about 84 percent of the total Federal expenditures for prescription drugs during fiscal year 1973 were indirect in that they consisted principally of the Federal share of drug costs provided to beneficiaries of health programs supported by the Government.

Medicare accounts for about \$675 million, medicaid \$605 million, the Federal employee health benefits program \$41 million, and the CHAMPUS program \$30 million.

We have a full table, Mr. Chairman, showing the increases in this program, both direct and indirect, beginning in 1969 and, if you agree, I would like to have that inserted in the record at this point. It just brings out the picture a little more clearly than I can in my summary here.

Senator NELSON. It will be printed in the record at this point.

[Testimony resumes at page 9926. The material referred to follows:]