

11832 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

(2) the need for adjustment of professional dispensing fees to compensate for the loss of income to pharmacists under the proposed program.

Accordingly, I would appreciate it if you would submit the attached questions to Secretary Weinberger for his reply. I would also appreciate having these questions and the Secretary's answers included in the record of the hearings.

With best wishes.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

QUESTIONS SUBMITTED BY SENATOR WILLIAM D. HATHAWAY TO SECRETARY WEINBERGER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(1) In your statement presented to the Monopoly Subcommittee, you said, "We do not underestimate the difficulty that States would have, and indeed pharmacists would have, in arriving at actual acquisition cost in this highly complex market."

What considerations will be made to assure that the pharmacist will not require elaborate accounting procedures in order to arrive at his actual acquisition cost for a drug?

(2) Also in your statement you "recognize the need for equity in dispensing fees . . ." and "are reviewing those comments (of pharmacists) with care and concern." You state that you intend to work with the States "within our existing authorities to achieve equitable reimbursement for professional services."

Does your Department set guidelines for what is considered to be a "reasonable" fee paid by States for reimbursement of professional pharmacist fees?

What do you consider to be your "existing authorities" for professional services?

(3) Is it the position of your Department that expenses for auxiliary services provided by the pharmacist, such as the maintenance of patient records, delivery services, etc., should be included in the pharmacist's dispensing fee?

(4) It is my understanding that the proposed regulations allow warehousing costs to be considered a part of the acquisition cost of a drug. It has been brought to my attention that this provision may favor large volume purchasers and that similar expenses should be allowed for smaller pharmacies or the allowance deleted altogether. What is your response to this suggestion?

QUESTIONS SUBMITTED BY SENATOR THOMAS J. MCINTYRE TO SECRETARY WEINBERGER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

I understand that as of February 15 you had received over 2000 comments on these proposed regulations. It would be most helpful for me if you would summarize briefly the thrust of the comments (ie. of consumers pharmacists, doctors, for and against).

What steps do you anticipate as a follow up to the responses you have received.

Traditionally when the issue of generic drugs is raised, the pharmaceutical industry responds with questions relating to lack of product quality control and restriction of freedom of choice as well as the impact of research and development in this area. Mr. Secretary would you comment on the impact these new regulations will have on these issues I have enumerated.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., June 19, 1975.

Hon. GAYLORD NELSON,
*Chairman,
Select Committee on Small Business,
Washington, D.C.*

DEAR MR. CHAIRMAN: In response to your letter of June 2, 1975, I am pleased to submit the following answers to questions posed by Senators McIntyre and Hathaway:

(1) In your statement presented to the Monopoly Subcommittee, you said, "We do not underestimate the difficulty that States would have, and indeed