

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?

As I indicated in my statement to the Subcommittee, we are exploring various means of estimating acquisition costs that would reduce or eliminate the need of actual cost determinations by individual pharmacists. If we are able to arrive at an equitable system of cost estimates, this will be reflected in the MAC final order.

(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?

The Department has authority for setting upper, but not lower, limits on the reimbursement of professional services. We can and do, however, provide guidelines to the States for the reimbursement of pharmacy costs and these will be updated to conform with the final MAC order. In addition, we are exploring means of assuring that State programs review dispensing fees on a regular basis to assure that they accurately reflect pharmacy operating costs.

(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?

Yes. The expenses mentioned are part of overhead and professional services which together with profit make up a 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?

If we are able to arrive at a system of estimated cost, this would represent cost at the point of dispensing and the warehousing allowance would be unnecessary and therefore deleted from the regulation.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.