

12078 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

recommendations of the ColoRx Drug Formulary Committee, an Advisory Committee composed of professional appointed by the Colorado Pharmacal Association and the Colorado Medical Society. This Committee took into consideration a number of standards in selecting the Maximum Allowable Cost. The Committee was presented with a list of the generic drugs, ranking the drug from the least expensive to the most expensive available product. The generic drugs listed in this printout reflected only those drugs which were on demand or utilized within the Colorado area, or for which the Department had received a request to add such a generic drug as a benefit.

A number of factors were considered in establishing and recommending the Maximum Allowable Cost. For example, was the drug manufacturer an established and reputable drug manufacturer? Was the drug available from more than one wholesaler in the State of Colorado? The Committee took into consideration bioavailability information, dissolution rates, drug recalls, physician acceptance, and--above all--their own personal experience with the drug. For example, during the ColoRx Drug Formulary Committee meetings in which the Maximum Allowable Cost was discussed, members would point out they had received a number of complaints regarding certain generic drugs manufactured by a specific drug manufacturer. In this case, this drug manufacturer's price was not considered in determining the Maximum Allowable Cost.