2. There is considerable lack of clarity and the report tends toward an editorial rather than factual approach. See, for example, the remarks on "administrative costs" (page 5). The facts clearly support that the RCLP program generated an insignificant administrative expense. The RCLP program, with an administrative expense under $50,000, accounted for a total gross program savings of $2.1 million dollars during Fiscal Year 1972-73, a ratio of $42 saved for every $1 spent on administration. The first year of an innovative program is generally recognized as a difficult year to use for evaluation purposes. The study may have been able to verify even greater savings if cognizance were taken of the MAIC program which succeeded RCLP.

3. Under "Methodology", Brian states "November 1972 payments were chosen as the actual payments for study". The very next paragraph states that one of the reasons for selecting this time period is "the professional fee received by the pharmacists had remained constant". The fact is that the pharmacy fee went up 5 percent (from $2.30 to $2.42) effective November 1, 1972. This fact, if not taken into consideration, could result in an overstatement of the cost of ingredients component depending on calculation methodology used. Dr. Brian may have meant to say "October" 1972 payments since paragraph 1, page 7 reads: "As indicated above, calculations of pre-RCLP and post-RCLP costs were based on Medi-Cal month of payment drug paid claims files for April 1972 and October 1972." Was it October or November? The date becomes very important in determining the credibility of this document.

4. Conclusions are reached (paragraph 2, page 9) regarding the significance of a 1.2 percent reduction in number of units per prescription and how this could "represent a major portion of the 2.5 percent" reduction in total prescription cost.* In arriving at this conclusion, the author "judged" an 8.6 percent increase in the number of prescriptions filled during the test period as being insignificant. What was the basis for his judgement? Logic is offended at this point. A 1.2 percent reduction in prescription ingredient quantity is compared with a 2.5 percent reduction of total annual prescription retail

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* The 2.5 percent reduction in total prescription cost came entirely from RCLP drugs. The proper expression of the worth of RCLP would be:

$$\frac{\text{actual cost of drugs with RCLP}}{\text{potential cost of drugs in numerator above (not in entire program)}} \times 100 = 7.3 \text{ percent reduction in cost for items affected}$$