Methodology

The estimate of savings under the RCLP was based on computing the "expected" costs, (those which would have occurred without the RCLP) and comparing expected costs to actual costs. November 1972 payments, which cover July-September prescriptions, were chosen as the actual payments for study. The expected costs for study were derived from claims paid in April 1972 for January-March prescriptions. There were various reasons for choosing these two time periods.

The Medi-Cal Reform program began October 1, 1971, and the disruptions caused by program changes had been ironed out by the beginning of the year; copayment for provider services and drugs had commenced January 1, 1972, and the same proportions of Medi-Cal beneficiaries had a copayment obligation in the before and after periods described above (30.1% vs. 30.6%). The professional fee received by the pharmacists between the two periods did not change nor were other program changes introduced that might confound the results. In fact, the changes in the program resulting from the introduction of the RCLP were minimal since the program had had a drug formulary since its inception in 1966 and since generic drug types had always been included in the formulary. In short, the effects measured may be attributed specifically to the introduction of the RCLP element of the program.