

12022 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF HEALTH

714 P STREET
SACRAMENTO, CALIFORNIA 95814



January 8, 1975

Hearing Clerk
Food and Drug Administration, Room 4-65
Parklawn Building
5600 Fishers Lane
Rockville, MD 20852

Dear Sir:

MAXIMUM ALLOWABLE COST FOR DRUGS (45 CFR PART 19) AND REIMBURSEMENT OF
DRUG COST - MEDICAL ASSISTANCE PROGRAM (45 CFR PART 250)

This is in regard to the proposed rules on the above subjects, published
in the Federal Register, Vol. 39, No. 222 - Friday, November 15, 1974;
and Idem., No. 230 - Wednesday, November 27, 1974. Thank you for the
opportunity to submit our comments.

The attached comments are cross referenced to the text of the proposed
rules as published.

The California Department of Health agrees in principle with the proposed
regulations, however, in some instances, we question the practicality
and feasibility of the proposed approach.

We sincerely hope that our comments, suggestions, and objections will
provide you with a deeper insight into some of our past experiences with
similar approaches to program control and that in turn this may prove
useful in solidly structuring the regulations which will ultimately be
adopted.

Sincerely,

Original Signed by

William Mayer, M.D.
Director of Health

Attachments

cc: James S. Dwight, Jr.
Administrator, Social and Rehabilitation Service
Department of Health, Education and Welfare
P.O. Box 2382
Washington, D.C. 20013