ARRAY, THEN PROCEEDED WITH ADOPTING PRICE CEILINGS ONLY ON THE HIGHEST VOLUME GENERIC DRUG TYPES AND MEDICAL SUPPLY CATEGORIES FOR WHICH AN ADEQUATE EVIDENTIARY BASE FOR THERAPEUTIC SAFETY AND STATEWIDE DISTRIBUTION WAS AVAILABLE. THAT IS TO SAY, TO SET A CEILING PRICE, SOME DRUG PRODUCT WOULD HAVE TO BE AVAILABLE AT THAT PRICE ON A STATEWIDE BASIS, DISTRIBUTED THROUGH THE USUAL AND CUSTOMARY CHANNELS, SHOWN TO HAVE PROVEN SAFETY, AND PROVEN THERAPEUTIC EFFECTIVENESS. THE DRUG PRODUCTS ARE FURTHER REQUIRED TO BE COMPARABLE TO THOSE DRUG PRODUCTS WHICH ARE GENERALLY PRESCRIBED BY A PHYSICIAN AND OTHER PRESCRIBERS THROUGHOUT THE STATE OF CALIFORNIA.

EVEN WITH THE SAFEGUARDS OF THE STANDARDS ESTABLISHED BY THE FEDERAL FOOD AND DRUG ADMINISTRATION, AND OUR OWN STATE FOOD AND DRUG SECTION, WE HAD TO TAKE EXTRA STEPS. EVEN MEETING THESE LIMITATIONS AND EXTRA REQUIREMENTS, THE MAIC PROGRAM ACCOUNTED FOR MORE THAN $2,000,000 WORTH OF SAVINGS IN THE 1972-73 FISCAL YEAR ON TOTAL DRUG EXPENDITURES OF $81,479,170. IN A PROGRAM OF MORE THAN 2,600 DRUG ITEMS AVAILABLE, PRICE CEILINGS ON ONLY 125 HAVE ACCOUNTED FOR SAVINGS OF OVER $2,000,000 AT AN ADMINISTRATIVE COST OF SOMETHING LESS THAN $40,000 -- A 2½ PERCENT SAVINGS OVERALL.