require that a state agency pay only the lesser of drug product cost plus professional fee or the pharmacy's actual charge for a specific prescription to the general public. This procedure requires only sample audits for effective enforcement.

The definition of "charge to the general public" should peg this figure at the lowest charge at which the prescription is generally available or available to a class of patients of significant size, for example, "senior citizens."

Finally, returning to the subject of the "actual acquisition cost" requirements of the proposed regulations, it should be clear to anyone that pharmacists who generally have been dependent upon a 15-25 percent "cushion" between actual acquisition cost and catalog drug product prices to reimburse them for the additional administrative and financing expenses involved in federally supported health care programs, cannot give up this form of reimbursement without an immediate equitable adjustment of professional fees. APhA has consistently urged that these additional administrative costs experienced by pharmacists be properly compensated as a part of the professional fee rather than as a hidden "cushion" factor in drug product cost reimbursement. The Association believes that adequate professional fees would be far preferred by pharmacists as a substitute to "fictitious" drug product cost figures.

Pharmacists feel they have been unfairly forced to play unbecoming games with drug product costs reimbursement because of inadequate professional fees. Unfortunately, the problem which pharmacists now foresee, taking into account comments regarding the proposed regulations received by the Association from its members, is that equitable adjustments of professional fees will not be made concurrently with imposition of the actual acquisition cost requirement. If such concurrent adjustments are not made by the states and federal programs, the Association has every reason to believe that for many pharmacists the choices will be (1) terminate their participation in the program, (2) fail economically, or (3) circumvent the regulation. Neither the profession, the government nor the public would benefit if any one of these possibilities becomes fact.

Reluctantly, APhA would be forced to withhold its historic support for pharmacist participation in federally supported health care programs unless the proposed regulations in final form require concurrent equitable fee adjustments, or at least retroactive equitable fee adjustments, in those states which will now move to the actual acquisition cost basis for drug product cost reimbursement and unless such adjustments are actually made. Similar adjustments clearly must also be made in those states where "actual acquisition cost" is already in effect. APhA would suggest that the regulations require a participating state to pay a professional fee to each pharmacy which reasonably relates to the fee each pharmacy respectively charges the self-paying public.

Moreover, the final regulations must provide for regularized, periodic review of professional fees and adjustments as indicated. "Indexing" professional fees may be a feasible approach.

CONCLUSION

This Association has continuously supported the participation of pharmacists in federally supported health care programs and has cooperated fully with government efforts to improve the administration of these programs, including support for the MAC policy announced in December, 1973 by Secretary Weinberger. The Association would not be entitled to the support of its members, however, were it to accept on their behalf any less than full recognition of their contribution to these programs and their entitlement to fair compensation and fair treatment in return for that participation.

The object of government policy and administration in federally supported health care programs must be to compensate prudently, but fairly and with an even hand, all who are involved in drug product manufacture and drug product distribution. The failure of the government to acknowledge and satisfy these essential philosophical and practical criteria can only result in the ultimate failure of the system and the inability of these programs to fulfill their Congressionally intended objectives.