

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 12005

THE CRITICS OF THE MAC PROGRAM CHARGE THAT THE ESTIMATED SAVINGS ARE GROSSLY INFLATED. APhA DOES NOT KNOW HOW MUCH MONEY WILL BE SAVED TAKING INTO ACCOUNT PROSPECTIVE ADJUSTMENTS IN PROFESSIONAL SERVICE COSTS AND DRUG PRODUCT COSTS. WE DO BELIEVE THAT WORTHWHILE SAVINGS WILL BE ACHIEVED. HOWEVER, IN OUR JUDGMENT THE MAJOR COST SAVINGS POTENTIAL LIES IN REDUCING PRESENT ADMINISTRATIVE COSTS IN ALL FEDERALLY SUPPORTED HEALTH CARE PROGRAMS. WE BELIEVE THAT THE SAVINGS WHICH CAN BE EASILY ACHIEVED IF THE MAC PROGRAM STANDARDIZES AND SIMPLIFIES THE ADMINISTRATIVE PROCEDURES WILL MORE THAN COVER THE ADJUSTMENT NEEDED TO PROVIDE PHARMACISTS A FAIR FEE FOR THEIR SERVICES.

APhA CALLS FOR THE APPLICATION OF THE MOST BASIC PRINCIPLES OF FAIRNESS. OUR VIEWS WITH REGARD TO THE FUTURE OF THE MAC POLICY AND ITS IMPLEMENTATION ARE SUCCINCTLY STATED IN THE LAST PARAGRAPH OF OUR MAC REGULATION COMMENTS:

"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."