## COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 12001

OR AUTOMOBILES IN THIS MANNER. AND, ALTHOUGH THE PHARMACIST IS ACTING AS THE GOVERNMENT'S <u>DE FACTO</u> PURCHASING AGENT, HE IS DENIED INFORMATION AS TO THE BEST DRUG PRODUCT PRICES AVAILABLE. WE BELIEVE THAT WITH SUCH INFORMATION, THE MAC PROGRAM CAN ACHIEVE ITS OBJECTIVES; WITHOUT IT, THE MAC PROGRAM WILL FAIL.

WE HAVE STATED REPEATEDLY THAT WE BELIEVE PHARMACISTS
ESSENTIALLY WANT TWO THINGS IN ANY THIRD-PARTY PAYMENT HEALTH
CARE PROGRAM--SAFE AND EFFECTIVE DRUG PRODUCTS TO DISPENSE AND
FAIR, ADEQUATE COMPENSATION FOR THEIR SERVICES.

THE BASIC HEW MAC POLICY IS BASED ON THE PREMISE THAT THERE EXIST IN THE MARKETPLACE SAFE AND EFFECTIVE DRUG PRODUCTS WHICH CAN BE INTERCHANGED WITHOUT DANGER TO THE PUBLIC HEALTH. THE CHAIRMAN OF THE EXPERT PANEL CONVENED BY THE OFFICE OF TECHNOLOGY ASSESSMENT TO ASSESS THIS ISSUE FROM A SCIENTIFIC STANDPOINT HAS STATED THAT 85 TO 90 PERCENT OF THE DRUG ENTITIES CURRENTLY MARKETED IN THE UNITED STATES PRESENT NO PROBLEM IN THIS REGARD, AND COULD IMMEDIATELY BE PLACED WITHIN A PROGRAM OF THE MAC TYPE. THAT LEAVES, BY HIS ESTIMATE, A MAXIMUM OF 10 to 15 percent of all marketed drug entities which may or MAY NOT INVOLVE INTERCHANGE PROBLEMS. IT HAS ALWAYS BEEN APHA BELIEF THAT A MUCH SMALLER PERCENTAGE OF DRUG ENTITIES WOULD BE INCLUDED IN ANY GROUP AMONG WHICH DRUG PRODUCT INTERCHANGE SHOULD NOT TAKE PLACE. IN ANY EVENT, HOWEVER, WE ARE SATISFIED THAT THE GOVERNMENT HAS IT WITHIN ITS ABILITY TO ASSURE THAT THOSE DRUG ENTITIES AND DRUG PRODUCTS TO WHICH THE MAC POLICY WOULD APPLY WOULD INVOLVE NO PUBLIC HEALTH THREAT FROM THE STANDPOINT OF DRUG PRODUCT INTERCHANGE.