To begin with, the advocates of the plan claim that $40.4 million would be saved by reimbursing pharmacists on the basis of actual acquisition cost. Yet, nothing is said as to the cost of operating so apparently simple a provision. And when pharmacists point out that they may not be in a position to participate in Medicaid if that plan is carried out, HEW indicates an intention to raise dispensing fees to reduce the loss to pharmacists.

The probable result of this part of the MAC plan, if it can be administered at all, would be to save little or nothing for the taxpayer. Pharmacists now receive part of their incomes from the differentials between average wholesale catalog prices and the prices they actually pay. If this plan goes into effect, they will no longer get income in that manner. Instead it would have to come from a higher dispensing fee. In any event, the $40.4 million savings is no more than a rough, inaccurate guess.

The claimed $48.4 million saving in product cost is relatively more subtle. That figure is apparently based on the assumption that the entire universe of multi-source drugs would be covered. It allows nothing for administrative costs to either the states, the professionals or the federal agencies involved, and no allowance for the exemptions which HEW has promised to physicians who insist that their patients have the exact product prescribed.

To accept these claims, one must ignore the fact that all of the mechanisms to operate the program must be put in place and paid for before it could begin. One must forget that no more than a dozen drugs would probably be in the program in its early stages and that the cost of guaranteeing drug quality would be extremely high.