12374 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY expressed its concern that Medicare and Medicaid beneficiaries receive high quality care and that they not be forced to accept inferior services or supplies simply because payment is being made by the government. For example, 42 U.S.C. § 1396a (a) (19) requires that care and services under a state Medicaid plan be provided in a manner consistent with the best interests of the recipients, and 42 U.S.C. § 1396a (a) (22) (D) requires state plans to include a description of standards and methods designed to insure "that medical or remedial care and services provided to [Medicaid] recipients. . .are of high quality".

This concern with quality of care is carried over directly into those provisions dealing with economy and cost limitations. Thus, 42 U.S.C. § 1395b-1(a) directs that experiments and demonstration projects designed to create incentives for increased efficiency and economy in the Medicare program should not adversely affect the quality of services delivered to recipients, and 42 U.S.C. § 1396a(a)(30) requires state Medicaid plans to provide methods and procedures to insure that payments for drugs under the plan "are not in excess of reasonable charges consistent with. . .quality of care" (Emphasis supplied).27/

In the present context, perhaps the most significant expression of congressional concern that quality of treatment not be sacrificed is 42 U.S.C. § 1395u(b)(3).28/ That provision allows the Secretary to establish reimbursement limits under Medicare and Medicaid, but cautions that this should be done only when the services or supplies for which such limits are to be established "do not generally vary significantly in quality from one supplier to another".