

12390 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

costs of such a system would exceed any possible savings.

Until contrary assumptions can be shown to have substantial, evidentiary support, it is highly inappropriate for HEW to take action that would, for practical purposes, deprive Medicare-Medicaid beneficiaries of the opportunity to be treated with the drug products selected by their physicians or pharmacists. Such arbitrary action would also be inconsistent with provisions of the Medicare-Medicaid statutes.

It is PMA's considered recommendation, then, that the proposed Maximum Allowable Cost Regulations should not be adopted.

We hope these comments are helpful. We will be pleased to discuss them with you at your convenience.

Respectfully submitted,

C. Joseph Stetler
President