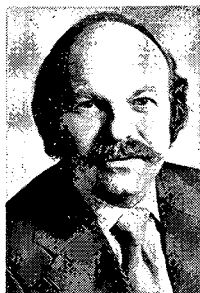


Drugs--Their Cost And Price

The problem of controlling and limiting public funds used in the purchase of pharmaceuticals does require a definitive solution. Some of the reasons for rejecting the recently published HEW regulations have been discussed in a recent editorial on these pages. These regulations would allow payment only for listed prescriptions, mostly generic, and they have been shown to be inadequate in several important respects. Yet, the high cost of many brand name drugs makes the finding of an equitable solution an urgent and imperative task.



DR. BAR-LEVAV

Society protects the monopoly position of pharmaceutical brand names in the market place by having copyright laws, and it makes only good sense that profits from such products fall within some regulated guidelines, to prevent unreasonable excesses. Although understandably more expensive than generic equivalents, the higher costs of brand name drugs should be reasonably related to the cost of equivalent non-brand products. Both pharmaceutical companies and dispensing pharmacists have not always been as scrupulous in their pricing policies as they might have been and as they should have been, considering their unique position in providing basic and essential services.

Blatantly unconscionable pricing policies have also on occasion been pursued to maximize profits. The mail order price of 400 mg. tablets of meprobamate, for instance, is \$4.25 to \$4.50 per thousand. The same biochemical compound, under the trade name of Miltown, sells by mail order at \$61.20 per thousand, approximately 15 times the price of the generic equivalent. These prices are still more than doubled as the average patient presents his prescription to the pharmacist. A spot check of Detroit pharmacies revealed that the price to the customer of 400 mg. tablets of Miltown was \$12.65 per *one hundred*, or \$126.50 per thousand, this being 30 times the price of its generic equivalent. This is by no means an isolated exception. Such ratios have very questionable validity even when private funds are expended, since the patient has no choice at all in what drugs he must purchase. It is obviously totally unacceptable as society as a whole becomes the customer. Especially in the spending of public funds, society can and should conclude a better bargain.

Pharmacists point out that drug stores are basically different from so-called ethical pharmacies, in as much as the latter store has a wide variety of prescription items, whether their turn-over is rapid or not. The cut-rate, supermarket type drug store, on the other hand, often fails to have on hand relatively unprofitable items that are not fre-

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Biography Of Robert A. Good, M.D., Ph.D.

1975 BEAUMONT LECTURER

Dr. Good was born in Crosby, Minnesota (pop. 2600) in 1922. All of his formal education from kindergarten through graduate school was in the city of Minneapolis. He received the B.A. degree (cum laude) from the University of Minnesota in 1944, the M.D. degree from the University of Minnesota Medical School in 1947, and in the same year, the Graduate School conferred on him the Ph.D. degree for work with anatomy as a major and bacteriology as a minor. He entered the clinical field of pediatrics, serving as intern and assistant resident in the University of Minnesota Hospitals. In 1949-50, he was a visiting investigator at the Rockefeller Institute for Medical Research, after which he returned to his Alma Mater and rose rapidly through the ranks from Assistant Professor of Pediatrics to Professor. Later, he simultaneously occupied the chairs of Professor of Microbiology and Professor of Pathology.

A review of his bibliography (which as of February, 1975 contains 1171 items) indicates that his primary interest has been in basic science research. The titles of the papers indicate intense activity in the fields of viruses, immunology, hematology (especially agammaglobulinemia), tissue culture, transplantation of tissues and organs, hormones and malignancy of the thymus and lymphatic system.

In 1973, he went to New York to become President and Director of the Sloan-Kettering Institute for Cancer Research, and Director of Research of the Memorial Hospital for Cancer and Allied Diseases.

quently requested. The higher cost of drugs dispensed by ethical pharmacies is explained by the need to absorb the cost of such a useful service to the public.

Pharmaceutical companies similarly explain that the high cost of brand name drugs reflects in part the justified and necessary cost of research and development of new products. They also claim that wholesale and retail distributors are responsible for much of these costs, and that manufacturers of generic drugs often have low overhead, since they usually reap benefits from the toil of others.

The public is nevertheless entitled to spend its limited funds in a more rational and a less wasteful way. Unless drug companies and pharmacists are willing to seek and find improved and more efficient techniques for the manufacturing and distribution of pharmaceuticals, and unless they become more careful in their pricing policies, they are bound to force the public into purchasing possibly inferior drugs, but at markedly lower prices. Drug companies and pharmacists may suffer financially as a result but patients will, as usual, be the ultimate sufferers. The best drugs will either be unavailable altogether or only at a delayed time. Such unnecessary suffering must be avoided. Pharmacists and drug companies face an urgent task.

R. B. Levin, M.D.

Wayne County Medical Society

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Editor's Page

D.A.W.

The controversy over the enactment of HB 4145, "Repeal of Anti-Substitution Drug Law," continues. Having served as Doctor-of-the-Week at the State Capitol for the past two years, there were many opportunities to confer with a number of legislators on HB 4145, as well as with Rep. Forbes who introduced the bill. Thus, the provision of permitting a physician to write "Dispense as Written" on a prescription or the initials D.A.W. was added to the bill to provide an adequate safeguard against the pharmacist substituting a generic drug that could prove to be ineffective.



DR. RHOADES

As a guest representing the Wayne County Medical Society at the recent "Stephen Wilson Pharmacy Seminar" under the auspices of the Wayne State University, College of Pharmacy, it was reassuring to discover that the leading pharmacists of Detroit who were present were unanimous in their belief that the physician should be the one to determine which brand of drug was best for a particular patient. The pharmacists were also of the opinion that there should be a liaison committee of physicians and pharmacists appointed by their respective organizations in order to investigate and resolve mutual problems.

Experts in the field of pharmaceutical research have repeatedly stated that, although a generic drug may have the same chemical formula as a brand name drug, it is not necessarily therapeutically equivalent. The purity of the drug, the manufacturing process employed, the inert additives used to formulate the finished product to be dispensed, and the quality controls that are exercised by the ethical pharmaceutical house, are the basic elements that insure therapeutic efficacy.

In addition, it is the ethical pharmaceutical houses that engage in the bulk of the research and clinical investigation that leads to the approval and marketing of new products to supply the physician with effective and relatively safe therapeutic agents. Without a reasonable margin of profit on these products of research, the development of new and increasingly invaluable drugs will greatly diminish.

In these troubled times when physicians are being sued for any adverse reaction, actual or imaginary, as well as alleged failure to cure, it is only good medical judgment to insist that all drugs prescribed be products that the physician is sure will maintain the highest possible standards of quality control. The physician should choose that particular product which will, in his opinion, provide the best results with the minimum of side effects. Thus, every physician should make it standard practice to write* "Dispense as Written" on every one of his prescriptions.

*Cannot be printed.

F. P. Rhoades M. D.