

Epilepsy Foundation of America, American Heart Association, National Kidney Foundation, and many others.

It is this working relationship we have with medicine that is the basis for us to produce highly credible education programs funded and distributed by industry which are beneficial to the participants in medical schools, physicians in private practice, and patients. It is the integrity, reputation, and knowledge of this group that provides the peer review and controls over the educational materials.

The critical questions we faced were first how to fund and how to distribute the programs that we could develop. We considered three alternatives.

The first was for us to raise capital, develop programs at our own expense, and sell completed programs to physicians in practice. We rejected this alternative because our studies indicated physicians would not pay for the programs, and we had no system of distribution. Second, we considered proposals to appropriate Federal Government agencies. We rejected this idea because of restrictions in Federal health care spending, the time involved in getting proposals written and approved, and most importantly, the inability of the Federal Government to provide adequate distribution. The approach we settled on was to utilize the resources of industry. They have the financial resources, the responsibility to good medical practice, and the distribution outlets to insure awareness and usage of completed programs.

Mr. GORDON. What are these distribution outlets that you are talking about?

Mr. CALESA. I am talking about primarily the fact that they have distribution outlets through their sales representatives, through journal and mail promotional avenues which physicians in practice have come to accept and expect from pharmaceutical manufacturers, and thus have the ability to reach directly into the private practice of physicians' offices. This is something for which they have a unique situation—a situation unique to the pharmaceutical industry.

Mr. GORDON. I guess the principal way is the detail men who bring it to the doctors' offices, is that correct?

Mr. CALESA. Yes, sir, that is correct—not exclusively—but you said principally.

Mr. GORDON. That is exactly what I said.

Mr. CALESA. Why would industry use these resources to support educational programs for physicians? The answer is that pharmaceutical manufacturers develop excellent products that undergo extensive testing before being sold to the public. These products are differentiated by scientifically proven benefits as well as positive and negative side effects.

Each product becomes a potential therapy in the physician's pharmacopeia.

The problem is how to properly and accurately communicate the benefits, side effects, and therapeutic role each product has in the diagnosis and treatment of a patient. In marketing medical products, industry does not sell products to a doctor, but rather fulfills needs that a doctor has in the comprehensive care of his patients. Accepting this statement as dogma, it is an absolute necessity to provide adequate and accurate information which allows the physician to