Senator NELSON. If a good drug is patented, is exclusively held for 17 years, and is a widely used drug, then even at the end of 17 years when the patent no longer protects him from competition, the only name known to practicing physicians is the trade name. There are innumerable examples of major companies, all highly respected, coming into the market with their own brand name and with the generic name at a fraction of the price. Yet the other one still remains on the market.

Dr. MILLER. Yes.

Senator NELSON. The other one still sells because that is the only name the doctor knows. So knowing what the drug is and knowing the generics, the generic name, and knowing the various prices is certainly a very important factor to the physician and to the patient, I would think, wouldn't you?

Dr. MILLER. I don't know whether I can answer your question intelligently, but let me make this comment. The reason the price is different, the reason the latecomers into the market lower their price, is that that is the easiest way for them to get into the market.

Senator NELSON. But they aren't selling at a loss, are they?

Dr. MILLER. That I wouldn't be able to tell. I would assume not, or else they wouldn't go into business.

Senator NELSON. The opening sentence in the Medical Letter is that "Tests made for the Medical Letter on prednisone tablets USP purchased from 22 different pharmaceutical companies showed that all of them conformed fully to the requirements of the U.S. Pharmacopeia."

Dr. MILLER. Yes.

Senator NELSON. When you look at the 22 drugs, you find that they vary in price, all meeting the standards of the U.S. Pharmacopeia, from 59 cents per 100 to $17.90 for a 100. The Medical Letter is saying that they all meet the USP standards.

Dr. MILLER. Yes.

Senator NELSON. One is as good as the other. Therefore, isn't it important that the doctor who is prescribing for his patient to know which is which in the price variation, and why should the patient be paying $17.90, or rather a price based upon $17.90 per 100 to the pharmacist when there is an equivalent drug available at 59 cents a 100 to the pharmacist?

Dr. MILLER. I can't answer that in any satisfactory way. I myself wouldn't want to pay $17.90 for a drug that I was just as sure I could get for 59 cents.

Mr. GORDON. Dr. Miller, I would like to give you another example where the name is important. When the city of New York buys Benadryl from Parke-Davis Co., it pays $15.63 for 50 milligram, 1,000 tablets. When it is bought generically from the same company, the city pays $3. Now, how can we say that nomenclature is irrelevant to price?

Dr. MILLER. My position is that actually nomenclature has nothing to do with it as far as the buying of the drug is concerned. It is what you order. If you ordered Benadryl, you would be insisting that the trademark product be provided—what is the USP name?

Mr. GORDON. Diphenhydramine.