our people, should see to it that these studies are made, so that we can deal with the innuendo, which it often is.

Senator NELSON. I have some other questions that are more pertinent to your testimony a little later on, so you go ahead.

Dr. CHERKASKY. One of the things that I would like to see done, and I am sure that is what we are all here for, is to see drug costs brought down to a reasonable level with reasonable profits for manufacturer and dispensing pharmacists, not only to curb exaggerated costs, but to deal with new inflationary trends that we are facing in medical care.

The costs of medical care are increasing at a faster rate every year, with no letup in sight. I won't go through the figures here, which show how they have outstripped every other item in the consumer index.

During 1966, the costs of hospital care have escalated at an almost unbelievable rate of 16.5 percent, as reported by the Department of Health, Education, and Welfare in a recent report to the President on medical care prices.

I hesitate to even give you this next sentence, because it frightens me. It now looks as if Montefiore's costs may increase 20 percent during 1967, and I must tell you that in my discussions with other people in the field, it looks like we are not going to be alone in this. In other words, we are going to have a huge incremental increase in medical care costs.

Senator NELSON. You say that Montefiore may experience increasing costs. When you say "our costs," are you talking about hospitals alone?

Dr. CHERKASKY. At Montefiore.

Senator NELSON. You are not talking about medical costs or pharmaceuticals.

Dr. CHERKASKY. It is all inclusive; the total per diem cost of our hospital, the cost of caring for a patient for 1 day, including the pharmaceutical costs, the doctors costs, and everything else, is going to go up 20 percent.

Senator NELSON. When people talk about hospital costs, they are talking about the management, the cost of the bed, the medical cost, the physician cost, drug costs, and others. You are talking about the total cost.

Dr. CHERKASKY. I am talking about the total per diem cost of the hospital. Now that in some instances includes doctors and in some instances does not include doctors.

In other words, if a patient comes in as a private patient with his own doctor, the per diem cost would not include this doctor's coverage.

Senator NELSON. So that figure is a little difficult to deal with.

Dr. CHERKASKY. I think the figure as generally understood, when you use the term per diem cost, includes all the costs of providing care for the patient except the private doctor's fee.

Senator NELSON. Are all of your physicians part of a full-time paid staff?

Dr. CHERKASKY. They are a part of our per diem cost, except that these full-time physicians' primary responsibility in the hospital is not with the direct provision of patient care. They provide supervision and teaching, and some patient care. It is really difficult to extract the entire medical component from the per diem cost. When you talk