

something which we all realize, that there is a certain premium cachet of the name of the top drug house on anything, even if it is a generic drug, and I suppose that there is a certain amount of institutional advertising that would go into that, and really, Doctor, just to narrow the problem, aren't we talking about what techniques in law or practice, or both, could be employed as between this upper and lower bracket, the lowest bracket being what is really necessary to get the information around, some institutional advertising, because they are competing, which is part of our system, and the top bracket of what they are doing now, which you feel has just gotten inflated beyond all reason.

Dr. CHERKASKY. I think that I would fully agree with that. I would like to make the point that this advertising leads us to other unnecessary expenditures. I don't have the latest data, but in the early 1960's a report was put out that in the United States over 400 "new drugs" were produced by the pharmaceutical industry and advertised, to capture the prescription pad of the doctor.

On examination, only 29 of those were really new contributions. The rest of them were gimmicks, new dosages, new combinations that really hadn't much value. It would seem to me that this activity goes hand in hand with the promotion. Huge amounts of money could be saved because that manipulation I referred to is not what I consider research.

Senator JAVITS. Now, Dr. Cherkasky, just one other question. If we found a way, therefore, perhaps the Government has to move into the field, of bringing the information to the doctor: Couldn't the doctor himself put an end to the payment of these tremendously inflated patient costs by the method and nature of his prescription, and isn't that the most effective and the most targeted way in which we can bring about the results of which we speak?

Use the very competitive system itself, which has produced this, to end it, because if the customer isn't buying, that is going to be the end of the matter. These drug companies are going to turn to some other methods of distribution, other exploitations, other techniques, and not engage in these inflated practices, which are so costly to the public.

Dr. CHERKASKY. I would think that one of the things that we need to do for the express purpose you noted is to provide the doctor with a more rational, unbiased, continuous, critical flow of information about drugs.

I feel very sorry for the doctor, because we all attribute great validity to things in print, especially when it is credited to important establishments. The doctor is in a state of confusion about drugs, and I would agree with you that if we could develop some more effective method of conveying adequate information to the physician, and also preparing him in medical school to more effectively deal with this kind of problem, we would begin to resolve this difficulty.

Senator JAVITS. Doctor, the formulary system can be used perhaps on a regional basis by the Public Health Service of the United States.

Dr. CHERKASKY. I would agree. We have 550 drugs in our formulary. About 400 of them are so-called ethical drugs. There are literally thousands and thousands of drugs available for the physician to purchase. Yet we feel that we can meet 99 or 99.5 percent of all the needs of our patients with that small number of drugs.

I would agree with you if the whole city of New York were to use a formulary like ours, allowing a small number of exceptions, the care would be better, the savings would be huge.