

somewhat less than the going cost, just to take a few of them, meprobamate, a generic, we checked with the pharmacies and they gave us this information, that for a walk-in customer they would charge him \$1.95 for 30 tablets. Our Teamster patient gets it for \$1.45, and we provide it to our OPD patients at the hospital for \$1.20. Of course, if we went to buy the brand name, Equinal, it would cost \$2.75.

Reserpine is \$1.75 as compared to \$4.95 for the Serpasil which is the brand name. However, we give this drug to patients in the outpatient department in Montefiore Hospital for 35 cents, and that includes, by the way, our handling charges.

Senator NELSON. Does the hospital make a profit?

Dr. CHERKASKY. No; we try not to make a profit on that.

Senator NELSON. But you do cover all your costs?

Dr. CHERKASKY. We cover all our costs. We are going to try to work out an arrangement with the union people whereby we will provide the drugs directly from the hospital pharmacy because, as you can see, the savings even on the better price we can get them from the local pharmacies is huge. Tetracycline \$1.95 to the walk-in customer, \$1.25 for the union from the same pharmacy, and 60 cents at our outpatient department.

Senator NELSON. I assume that one of the reasons you can furnish it more cheaply is that you get a better price on your purchase.

Dr. CHERKASKY. Than the pharmacist does.

Senator NELSON. Than the retail pharmacist does.

Dr. CHERKASKY. That is right; and that is what is brought out, by the way, on the next page. We purchase the first drug, dioctyl sodium sulfosuccinate, \$156, but the blue book for the same drug, \$1,080 for 25,000 tablets, represents a huge difference between the generic name and the cost of the trade name to the neighborhood pharmacy, as opposed to our own cost at the hospital.

Senator NELSON. So, as I understand it, you are buying a generic product here and paying \$156.25 for 25,000 tablets. That is the cost to the hospital.

Dr. CHERKASKY. Cost to us, 25,000 under the brand name will cost the pharmacy \$1,080.

Senator NELSON. Where does this figure come from?

Dr. CHERKASKY. This is the blue book. This is the stated figure. We don't know about the exact arrangement between the pharmacy and the manufacturing company, but this is the stated listed price.

Senator NELSON. Is the generic bought from a generic house or is it a generic from—

Dr. CHERKASKY. I couldn't tell you about this one, but we buy either from a generic house or from one of the major companies which produces generic. Because we are very uncertain about the quality of the generic drugs, we will not buy from every generic house, and in fact, we carry on a kind of an independent inspection system, which is a very poor way to do it.

We don't believe that we have the manpower to do the proper kind of an inspection, but we feel more secure if we go into a plant to make sure that, at least as far as we can see, it has modern equipment and instrumentation, and so forth. And, of course, this really raises what is clearly one of the critical points.

The FDA must have the kind of manpower and program to enable me at Montefiore to purchase any drug from any place which is