certain to continue the same kind of drugs that we have within our formulary. The answer is I think the formulary is a good educational tool that is a useful one and does have meanings beyond the hospital as far as the doctor's practice is concerned.

Mr. GORDON. Now, one other question. Is it your opinion that the competition fostered by the use of a formulary accounts for the lower prices to the hospital?

Dr. CHERKASKY. I would think that this is very certainly an effect. I think I mentioned it before, that getting into our formulary becomes very important, and I think that has helped us in our dealing with the pharmaceutical houses on price, the fact that we do have a very limited and restricted formulary.

Senator NELSON. Thank you very much, Dr. Cherkasky. You have been very kind to take all this time in your testimony. It will be of great value to the subcommittee. We appreciate your coming today.

Dr. CHERKASKY. Thank you for having me come, Senator.

(The prepared statement and supplemental information submitted by Dr. Cherkasky follow:)

STATEMENT OF DR. MARTIN CHERKASKY

I appear before you today on my own behalf as Director of Montefiore Hospital and Medical Center in New York City and on behalf of the Greater New York Hospital Association.

Montefiore Hospital and Medical Center is one of the large teaching hospitals in the city. As of July 1 we had 766 beds rendering treatment in all major clinical areas with the exception of obstetrics.

All of our chiefs of service are on full time and are salaried, and we have over 100 other full-time physicians. There are over 800 attending physicians all of whom are board eligible and/or certified in one or several areas of specialization.

In 1966, 226,404 days of care were given to almost 12,800 patients. Our operating expenses for 1966, amounted to more than $19 million. As of July 1, 1967, our research program amounted to $6.8 million of which $6.6 million came from the Federal Government. Montefiore Hospital and Medical Center is a primary teaching affiliate hospital for the Albert Einstein College of Medicine in the Bronx of which I am Acting Chairman of the Department of Preventive Medicine and Community Health. Third and fourth year medical students serve clinical clerkships and subinternships, respectively, at Montefiore as part of their medical school education. As of July 1, we had 69 interns, 248 residents and 20 fellows participating in an active medical education program.

We had an affiliation contract, since 1962, with the City of New York for professional services at the Morrisania Municipal Hospital, a 402-bed institution. Our house staff rotates through Morrisania as part of their program.

In addition, over 32,000 persons in the community receive their total medical care on a prepaid basis from the Montefiore Medical Group a group practice unit owned and operated by the hospital and affiliated with the Health Insurance Plan of Greater New York.

The Greater New York Hospital Association represents 124 institutions: 81 non-profit voluntary hospitals, 18 non-profit voluntary homes, and 25 municipal institutions for a total of approximately 55,000 beds. This group of hospitals and homes represented by the Greater New York Hospital Association is the largest organized urban group of hospitals in the country.

Since my last two testimonies at the Kefauver Drug hearing in 1961 and 1962 in support of S. 1552 and H.R. 6245, it appears to me that we are still faced with substantially the same problems. While the FDA under Dr. Goddard has become a much more effective instrument, there are still grave defects in the ethical drugs field.

I think it is only fair for me to tell you what I, as a physician, as a hospital administrator, and as one deeply concerned with the overall problem of medical care would like to see happen in the field of prescription drugs. First of all whatever regulation we institute must encourage the kind of sound research