of the same drug under its brand name has also dropped. Despite that, the $67,000 worth of drugs purchased generically would have cost approximately $200,000 under its brand or trade name.

Even purchasing under the trade name can produce extraordinary variations. One of the effects of having a formulary particularly a formulary which is tightly observed and which covers the large number of beds I noted as covered by the Montefiore Formulary, is that the drug companies are very anxious to have their drug included among the only 400 we make available through our formulary—and therefore give us better prices. In addition, mass purchasing such as is done by the city of New York can produce tremendous savings in brand-name drugs. A prime area of concern must be the man who needs to fill a prescription for himself or his family. It is clear that the drug costs for individuals depend upon the auspices under which these drugs are purchased. We presently have underway a pilot program in group practice with 1,000 families representing 3,500 people of the Teamster Joint Council Number 16 and Management Hospitalization Trust Fund. This program is the most comprehensive program of group practice ever put together in this country, to my knowledge. It includes complete coverage for all drugs. We have arranged this so that the doctor in the group can issue any prescription he wishes and it is filled by certain local pharmacies. I have here listed a comparison of a few drugs comparing what the walk in customer pays at the retail pharmacy; what the member of this comprehensive group practice unit, designated TCP pays; and what we charge at the Montefiore Hospital pharmacy for the outpatients we care for—for the same drug.

PRICES CHARGED TO REGULAR RETAIL WALK-IN CUSTOMERS AND MONTEFIORE OPD

	Walk-in customer at retail pharmacy	TCP in retail	Montefiore OPD
Meprobamate, 400 mg., No. 30 (generic)	$1.95	$1.45	[1] $1.20
Equanil (or Miltown), 400 mg., No. 30 (brand)	2.75	----------	----------
Reserpine, 0.25 mg., No. 100 (generic)	1.75	2.25	.35
Serpasil, 0.25 mg., No. 100 (brand)	4.95	----------	----------
Tetracycline, 250 mg., No. 12	1.95	1.25	.60
Dilantin, 100 mg., No. 100	2.25	2.00	.75

[1] 0.04 tablet.

We are all familiar with the enormous savings available in the purchase of generic names as opposed to brand names. I will just give a few examples:

COMPARISON: TRADE NAME/GENERIC COST

Generic name	Trade name	Unit	Cost to hospital		Cost to community pharmacy
			Generic	Trade	
Dioctyl sod. sulfosucc., 100 mg. (capsules)	Colace	25,000	$156.25	--------	$1,080.00
Reserpine 0.25 mg. (tablets)	Serpasil	1,000	3.50	$33.58	39.50
Theophylline compound (tablets)	Tedral	25,000	67.50	--------	600.00

One of the obstacles to the purchasing of generic drugs rather than trade name drugs at every opportunity has do with the questions which have been frequently raised about the quality of generic drug manufacture as opposed to the quality of manufacture by the great drug houses. Recent publications have indicated that there are approximately the same number of drugs recalled from both sets of manufacturers. I must however note that most physicians and I suspect most lay people feel more secure with a drug either generic or trade name which has been produced by a great manufacturing company such as Merck, Squibb or one of the other large producers. This is for two reasons:

(1) There is a widespread view that huge organizations have a greater capacity for maintaining quality control and a corollary concern that

(2) despite the great improvement of the FDA under Dr. Goddard, there is insufficient control of drug manufacturing and labelling in smaller, less well-known companies.

In our own institution where we purchase from local manufacturers of generic drugs we have instituted our own inspection system. We use the form attached as Exhibit No. 2. We do not feel secure with it. When I raised with my pharma-