

Mr. GORDON. A previous witness, Dr. Fitelson, who did the laboratory testing for the Medical Letter, testified that there was more than an 800 percent difference in price between two brands of prednisone both made by large companies. Deltra, made by Merck, Sharp & Dohme, sold for \$2.20 per 100 tablets, while Meticorten made by Schering sold for \$17.90 per 100 tablets. Both, of course, are prednisone. Do you know any reason why the Merck, Sharp & Dohme product may be inferior or less reliable?

Dr. GODDARD. No.

Mr. GORDON. Do you know of any reason why the Schering product should be better?

Dr. GODDARD. No.

Mr. GORDON. Apparently doctors are prescribing the Schering product even though they could save their patients large sums of money by prescribing the Merck or the Upjohn brand. Could you tell us why a doctor would prescribe something that costs more than eight times as much when he could just as easily prescribe an equally effective and pure product made by a reliable firm at one-eighth the price?

Dr. GODDARD. This is pure supposition on my part and I hesitate to engage in it, but having practiced medicine, I can tell you that we rarely get the price information on drugs. I got it because I was purchasing them and dispensing them direct. And so price was of concern to me as a practicing physician. But when you are writing prescriptions for the patient you are often not aware of what the pharmacy markup is, what the pharmacist pays for the drug. This information is not generally put in the hands of the physician and he prescribes on the basis of his belief in what drug will do the job.

Mr. GORDON. Do you think that the physician prescribes Meticorten because of the pressure of advertising and the promotional activities of the drug companies?

Dr. GODDARD. Well, let me answer that in somewhat different words. I would say the advertising engaged in on all products obviously has some impact or the firm would not spend the money they do on advertising and drug promotion. I am not saying that is wrong. I am simply observing that this is, in my belief, how these products gain a place. First of all, some of them come into the marketplace ahead of others, then aggressive promotion does establish them in the physician's mind. As Senator Javits pointed out, some of the names are unpronounceable and so a physician writes Meticorten or brand name. It is much easier. That name gets hammered at them in advertising and promotion of all kinds. It is not unexpected, then, that they write for that product. I would be surprised if they did not.

Mr. GORDON. So actually, you have given us two reasons why they prescribe a drug which is eight times more expensive even though it is not any better than another: One, they do not know the prices; two, promotion and advertising.

Dr. GODDARD. These are assumptions on my part. There may be other reasons that I am not aware of.

Mr. GORDON. Now, the compendium, of course, that you were discussing with Senator Nelson would include prices, too?

Dr. GODDARD. It could include prices, yes.

Mr. GORDON. Now, along the same line, we have been told by some witnesses that there are drugs on the market which are subjected to a greater degree of the governmental surveillance than most drugs.