

markup fee that the pharmacist would. But since the drug costs him only half as much the patient pays much less than the normal retail price. Is that the kind of case you are talking about?

Dr. APPLE. That is one example; yes, sir.

Senator NELSON. Why would they give this deal to the dispensing physician and not give the same deal to the pharmacist?

Mr. STEEVES. The physician, of course, has the advantage that he can choose which drug he is going to dispense. So that if he is going to have a thousand of company X's product there, he is going to dispense that particular product. The pharmacist, on the other hand, has to dispense what the doctor prescribes, and, therefore, the way it has been explained to me is that this is the way to get the doctor to use your particular product if he is a dispensing physician, give him a price break so he gets the product in there and he is going to use it.

On the other hand, if he is a prescriber and you detail him, the next detail man may come along and have you prescribe something else. So there would be no promotional advantage of giving the price break to the pharmacist.

Senator NELSON. So if I understand you correctly, you are saying that to give the dispensing physician a price break is a matter of promotion since the doctor is the prescriber and if he gets used to prescribing this drug he may continue to prescribe by the brand name of the firm which sold him the drug.

Mr. STEEVES. No, because ordinarily if it is a dispensing physician, he is going to be dispensing that drug continually. It is generally thought that price here is a major consideration and that perhaps if the next company comes along and gives a little better price the next time he needs a diuretic, he will use the next company if it meets with his medical judgment. I don't think the firms suppose that the physician will change from dispensing to prescribing.

Senator NELSON. I don't mean that. The idea of the promotion was to introduce this particular trade name diuretic to the doctor; is that what you are saying?

Mr. STEEVES. It could be.

Mr. GORDON. You are not referring only to injectables, are you? Aren't you referring also to oral diuretics?

Dr. APPLE. I was referring to all dosage forms basically.

Mr. GORDON. The physician has to dispense the injectable himself, doesn't he?

Mr. STEEVES. He ordinarily administers that.

Dr. APPLE. He administers the drug or has his nurse administer it under his supervision.

Mr. GORDON. Yes.

Mr. STEEVES. But the discussions we were talking about here, Mr. Gordon, relate primarily to drugs that can be self-administered, tablets, capsules.

Mr. GORDON. All right.

Senator HATFIELD. May I ask a question on this: In the field of non-prescription drugs, are there any price benefits or breaks or whatever you call it, given from the industry to the pharmacists directly? You are speaking of a price break being given from a pharmaceutical house to a physician, a dispensing physician, as I understand.

Mr. STEEVES. Of prescription drugs?