

Certain physicians have said that they sometimes use symbols in prescriptions that are taken to a drugstore to indicate that the individual who needs the drug is an indigent and, therefore, a different price should be applied than in the case where that symbol is not present. Do you know about this practice?

Mr. STEEVES. Yes.

Dr. APPLE. There was a code word that was fostered by one of the other organizations in pharmacy for a number of years, but about 4 or 5 years ago they dropped the word on advice of the Justice Department—I think—you have reference to a symbol put on the prescription which indicates to the pharmacist what the price is as well as symbols that encourage the pharmacist to give special price consideration to individual patients.

Senator NELSON. Yes.

Dr. APPLE. For example, designation "PP" referring to an indigent person.

Senator NELSON. That is the practice today so there is this pricing differential within the pharmacy outlet.

Dr. APPLE. I would say that the practice is disappearing rather rapidly because in most cases some State program or third party is paying for them rather than the individual.

Mr. STEEVES. If I could add for just a minute, Senator, I have just talked to two of our community practitioners. Mr. Eggleston says it has been a long time since he has seen that abbreviation and Mrs. Andersen says that title 19 has just about eliminated it in her area. I think this is generally true, before we had the title 19 broad program, before we had any of these poverty programs on drugs, this was a more widespread practice but it is on the wane now.

Senator HATFIELD. On this practice of pricing in the pharmacy outlet, do you have any records or any evidence on this constant report we get that in the ghettos the pharmacy outlets are charging higher prices for their drugs than they are in other parts of the same city?

Dr. APPLE. Mr. Chairman, I have no direct information yet. I have read the article that appeared in the New England Journal of Medicine. I understand that the Boston newspapers this week are carrying some survey of their own. We are now starting to look into this situation. We haven't proceeded far enough where I could intelligently and accurately give the committee any information.

I can say that our association certainly does not condone the practice of an individual being charged a different fee for his prescription based on any kind of discrimination whatsoever.

Senator HATFIELD. But you are involved right now, I understand you to say, in investigating this discriminatory pricing within the pharmacy profession that you represent?

Dr. APPLE. Well, we aren't investigating that. We are investigating the reports that we have brought to our attention. Our association per se is not an investigatory body. In other words, when we see something that involves an individual member of our association, for example, we are concerned. We do mention some of this—

Mr. STEEVES. I think on page 15, Senator, to get down to the position of the association, we do say that there are some pharmacists who oppose price discrimination by drug manufacturers, but who support the inequitable markup system of prescription pricing.