able formulary committee to the advantage of the patient and the doctor. But nobody should get so enthusiastic about price that they override the medical judgments of a doctor because he happens to practice in a hospital that has a formulary.

I do not think you are suggesting that. And that is all I am trying to say. That is the element that ultimately has to be preserved.

Senator NELSON. This dispute about therapeutic equivalency and clinical effectiveness, and so forth, keeps being raised all the time. The reason I raise it here is, if we had a formulary, I doubt if there would be very many doctors, if any, in the United States who would prescribe a prednisone that cost $17.90 to the pharmacist, which would be about $27.28 to the consumer, depending on the fee, when an equivalent drug is available at $2, or $1, or even at as little as 75 cents. This is what bothers me.

The Medical Letter, on the basis of chemical tests and opinions of a distinguished group of authorities consulted around the United States, flatly asserted that the 22 prednisones they tested are equivalent.

Really it would be a shocker to me—and more of a shocker to some poor person who is on social security—if he found that he pays $25 or $26 for a hundred prednisone tablets when therapeutically effective tablets are available according to the Medical Letter, at $2 a hundred. This is what shocks me.

Now, if there were a formulary—I doubt whether there is a physician in America who would be using Meticorten at $17.90, when they can get Merck's at $2.20.

Mr. STETLER. A comment on that, Senator.

As you know, from previous testimony that was presented, the feeling does exist, and I share it, that doctors should be permitted to make the decision on the drug. But—I am sure this is not an appealing statistic to one of our members, Schering—but, nevertheless, their share of the market on prednisone has gone from a hundred percent down to 5, so absent the formulary—they apparently have decided on their own to either write for a generic product or for another brand. So the free forces of our economy, and the knowledge of doctors about not just medicine, but economics, have in a large extent taken care of the prednisone differential.

As far as the Medical Letter is concerned, they have not said that based on their testing, they have found therapeutic equivalency between the products they looked at.

One other thing. There are probably 75 or a hundred manufacturers of prednisone, and if a doctor were to write generically, neither he nor the patient would know whether they are getting one of the products from the 21 who they found chemical equivalency for, or the other 50 that nobody has bothered to look at all.

But the Medical Letter does not talk in terms of therapeutic equivalency.

Senator NELSON. What they do is just to reach a flat conclusion, which is just as good.

"The great price spread—purchased from different pharmaceutical companies suggested the desirability of prescribing by generic name, and specifying that the prescription be filled with low-priced prednisone tablets." They just flatly reach the conclusion that they are equivalent.