

dices show that drug prices are going down while other prices are going up.

Mr. GORDON. Mr. Stetler—I would like to put in the record an article entitled “Examination of Anomalies in Prescription Drug Prices and Utilization.” It was written by Agnes W. Brewster and Juanita Horton. Mrs. Brewster is Chief, and Mrs. Horton is Pharmacist-Economist of the Health Economics Branch, Division of Medical Care Administration, Public Health Service. It was presented at the Drug Utilization Session, sponsored by the Medical Care Section of the American Public Health Association, in Florida, October 25, 1967.

I would like to read a couple of excerpts.

Starting ten years ago, in 1957, what happened to this 1965 list in the way of price movement? More than half had no price change. For 57 the price advanced, sometimes more than once, and for 27 the price was reduced, sometimes twice. However, the increases in the prescription price (less than a dollar), were much smaller than the decreases, which were so large on a few products that the average was six dollars.

The picture that emerges from this analysis is certainly not in conformity with the downward trend for the consumer price index for drugs. True, antibiotics such as Achromycin and Terramycin dropped dramatically. But most drugs remained unchanged, and the remainder rose in price. For the consumer to experience the price decline indicated by the CPI behavior, the drugs ordered for him would have been from a narrow list and not at all typical of the market as a whole.

Generic prescriptions are used to provide the consumer price index even though more than 90 percent of prescriptions which consumers purchase are trade name drugs.

I ask, Mr. Chairman, that this document be put in the record at the appropriate place.⁶

Mr. CUTLER. May we have a copy, Mr. Gordon?

Mr. GORDON. I have only one, but I will have it Xeroxed.

Senator NELSON. Mr. Stetler, I have to run up to the Senate floor momentarily. Do you want to wait, or do you want to proceed with minority and majority counsel? I will be back soon.

Mr. STETLER. Do I understand as far as our other witnesses, they are not going to be going on today—they will be delayed until the 29th?

Senator NELSON. If that is satisfactory with you, we will conclude your testimony, and pick theirs up on the 29th. If it is not, I am available to go on later this evening.

Mr. STETLER. Since these people have spent a lot of time on their testimony, I would rather give them a time when they can put it on in sufficient detail for you and other members of the committee that might be present. So far as our next five witnesses are concerned, I would be agreeable to the 29th, assuming they can be available.

Senator NELSON. I would substitute these gentlemen for the witnesses you planned to have on the 29th.

Mr. STETLER. And then we would put them on our third day in December hopefully and have a fourth day for the ones that were due in December.

Senator NELSON. And a fifth and sixth day—

Mr. STETLER. Four will do it.

(At this point in the hearing Senator Nelson withdrew from the hearing room.)

⁶ See p. 1424, *infra*.