

therapeutic purpose. For example, in the antibiotics, the average price of the two trade name replacements was \$25.64 while the average price of the three dropouts was \$12.39. It should be noted, however, that the third replacement in this group was generic tetracycline for which the wholesale price could not be determined. This finding, coupled with the price changes already reported, seem to bear out the intuitive reaction of the consumer that drug prices have not fallen, albeit they have not risen as fast as other items in the Consumer Price Index for medical care.

We are of the opinion that the day is getting much closer—thanks to electronic data processing—when the Consumer Price Index for prescribed drugs could be refined. With drugs becoming increasingly significant items of out of pocket consumer medical expenditures, the Consumer Price Index should become a more sensitive instrument.

TABLE 1.—TOTAL AND PER CAPITA PRESCRIPTION DRUG EXPENDITURES, NUMBER OF PRESCRIPTIONS PER CAPITA AND AVERAGE PRESCRIPTION PRICE, 1959-66

Year	Total consumer expenditure (in billions)	Per capita expenditure	Number of prescriptions per capita	Average price per prescription
1959.....	\$2.0	\$11.12	3.54	\$3.14
1960.....	2.0	11.33	3.52	3.22
1961.....	2.1	11.75	3.65	3.22
1962.....	2.3	12.30	3.83	3.21
1963.....	3.4	12.37	3.83	3.23
1964.....	2.6	13.33	4.09	3.26
1965.....	2.8	14.37	4.29	3.35
1966.....	3.1	15.47	4.51	3.43

Source: Derived from American Druggist, Mar. 19, 1962; Mar. 15, 1965; and Mar. 13, 1967.

TABLE 2.—CONSUMER PRICE INDEX FOR PRESCRIPTION DRUGS, 1958-66

Year	All items	Prescriptions	Anti-infectives	Sedatives and hypnotics	Ataractics	Antispasmodics	Antiarthritics	Cough preparations	Cardio-vascular and antihypertensives
1958.....	100.7	100.7	-----	-----	-----	-----	-----	-----	-----
1959.....	101.5	103.0	-----	-----	-----	-----	-----	-----	-----
1960.....	103.1	102.6	98.5	100.4	99.5	100.6	99.9	99.7	99.6
1961.....	104.2	99.2	91.9	99.4	96.5	99.2	99.9	98.3	97.6
1962.....	105.4	95.3	86.2	97.0	93.8	97.7	97.7	95.8	94.7
1963.....	106.7	93.0	82.2	96.4	93.2	97.1	97.6	95.6	93.7
1964.....	108.1	91.8	80.3	95.6	92.2	97.4	95.6	94.8	93.2
1965.....	109.9	90.8	77.4	95.7	91.2	97.7	91.9	95.7	93.6
1966.....	113.1	90.6	75.1	97.0	90.9	98.5	90.4	97.2	93.7

Sources: Consumer Price Indexes for Selected Items and Groups, annual averages, December 1958-December 1966; and annual averages computed from figures published in Consumer Price Index Components of Prescription Drugs, as prepared by the U.S. Department of Labor, Bureau of Labor Statistics, quarterly averages 1958-67.

TABLE 3a.—NUMBER AND PERCENT OF TRADE NAME PRODUCTS IN LIST OF 200 MOST FREQUENTLY PRESCRIBED DRUGS FOR 1965 BY DATE OF INTRODUCTION, 1927-65

Year of introduction	Number of drugs	Percent of total
Total.....	188	100
1927-56.....	79	42
1957-61.....	83	44
1962-65.....	26	14