

Senator HATFIELD. Can Squibb calculate a certain impact of having their product in the hospital and affecting the attitude of physicians who are using their product in the hospital and then what they hope the physician will do outside of the hospital where there would be a different price?

Mr. SQUIBB. Yes; I think they can generally. We have seen this. We know that if a certain product is used in a teaching hospital, where a large proportion of the physicians of a community practice, that the use of this product outside the hospital on private practice prescriptions will be larger. We learn this through prescription analyses and studies of the various market research prescription services. I think this is a real factor in the success of a product.

Senator HATFIELD. This is pretty generally practiced among all the pharmaceutical houses?

Mr. SQUIBB. Yes.

Senator HATFIELD. As well as Squibb?

Mr. SQUIBB. Yes; this is well known.

Senator HATFIELD. And then, actually you feel that part of that price that you are giving to the hospital will be more than compensated for by the influence it will have on the physicians outside of the hospital practice?

Mr. SQUIBB. That is right, and certainly the younger physicians, physicians in residence, and interns coming along who see in their teaching hospital a certain product being used and are familiar with it, who watch its reactions and its effect on patients for a number of years, this is a product which they understand. They will naturally pick it up later on in practice. This makes sense. We can prove it by market research examination, and, therefore, this is a reason to justify going to special lengths, pricewise, to get your product into this hospital.

Senator HATFIELD. Do you feel that in the teaching hospital or in academic pursuits of medical education there is an adequate academic program in which the physicians, or the medical students and interns, are being given appropriate education in order to make judgments on pharmaceutical products for use?

Mr. SQUIBB. No; surely there is not. Now, I judge this just on personal opinion. I have not gone into the subject in specific detail but in conversation with many hundreds of physicians and examination of the testimony before the committee of the leading men that you have had here, it is obvious that there is not adequate background in this area. When I say there is not maybe there can never be, because of the size of the problem and the demands of other areas.

Senator HATFIELD. So then, the pharmaceutical houses really sort of depend upon this in some instances, or let us say, they perhaps exploit it?

Mr. SQUIBB. They exploit it.

Senator HATFIELD. In such terms as getting their products into the hospitals and teaching hospitals at a lesser cost, in order to influence this intern or this young physician who has not been fully and adequately prepared in this area through the academic programs, and so it comes in primarily as a sales approach and a promotional approach, rather than so much a matter of analyses or evaluations or comparisons?