Over the past few decades new drugs and medicines have made important contributions to the health of this country and are in part responsible for a declining death rate and a rising life expectancy. New products have been developed to provide drug therapy where none had been available previously, e.g., tranquilizers and drugs that are more certain and speedy in effecting cures, the so-called wonder drugs.

Many of these drugs are higher priced than the products they replaced on a per dose basis. But this kind of comparison is no more valid than a comparison of jet fares with railroad fares simply on the basis of miles traveled. Just as it makes more sense to measure the comparative cost of a trip from Washington to Los Angeles by plane and train taking into account not only the fare, but all other incidental costs such as meals, and time lost in travel, so is it more reasonable to measure the total drug cost over the period of an illness rather than the price of a prescription. But more than that, except for the geriatric illnesses which come with prolonged lifespans, new more sophisticated drugs shorten the duration of an illness; shorten the required period of medical, nursing, and hospital care; reduce the pain and discomfort suffered by the patient; put him back on his feet, and back to his job more quickly, reducing his earnings loss due to illness.

I cite this, Mr. Chairman, not as argument, but as sound economics which goes to the question of real cost. For some specific illnesses these savings can be measures in dollars and cents. Before the development of antibiotics, for example, lobar pneumonia meant 5 weeks of hospitalization, long convalescence, and several hundred dollars for doctors, nurses, medicines, oxygen, and hospital care. Today pneumonia means a week to 10 days of illness, usually at home, $15 to $30 for drugs, and just two or three visits from the doctor; $15 to $30 for drugs sounds expensive. What is generally overlooked is the astonishing reduction of all other medical costs, and the reduction in loss of time from work.

There is a real need therefore, I submit, for some measure which will show the true change in the total cost of treating an ailment. A somewhat higher drug cost may result in a considerably lower total cost in effecting a cure. Even such an index could not evaluate the lowered mortality rate, the shorter duration of an illness with the accompanying relief from disability, pain and absence from one's occupation.

There have been occasional attempts to develop such a measure, but to date these have not provided adequate data. A principal source of difficulty is the unavailability of suitable data concerning medical, hospital, nursing, and medication costs in earlier years. The Department of Health, Education, and Welfare might be the appropriate agency to develop such measures.

In summary, I would say that average prescription prices cannot tell us what has been happening to drug prices. There are too many factors other than changes in drug prices that tend to distort this measure. In fact, for nearly two decades prices for ethical pharmaceuticals, as measured by the most reliable price indexes, have declined, while the price of an average prescription has been rising.

Neither average prescription prices nor an index of pharmaceutical prices can tell us what is happening to our total expenditures for drugs. The increase in our lifespans and the advances of medical science inevitably must add to our drug bill. The continuing research