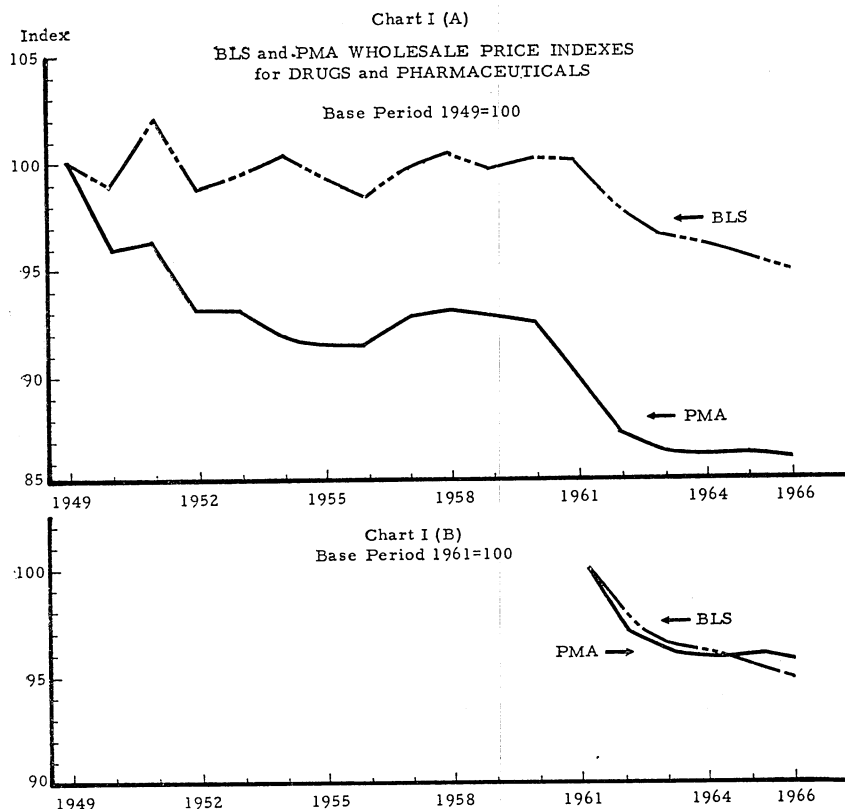




The PMA Wholesale Price Index of Ethical Pharmaceuticals

Before detailing the construction of the PMA Wholesale Price Index of Ethical Pharmaceuticals, I should like to state that I have always had complete freedom in designing and constructing this index. This is the only way I would do it; the Pharmaceutical Manufacturers Association never asked me to do it otherwise. As a result, I alone am responsible for this index in its content and its accuracy.

The index measures the prices of ethical pharmaceuticals as reflected in the price quotations for those brand name products which are prescribed frequently enough to be recorded in national surveys. The sources of the price data are relevant editions of a trade journal annual, the *Drug Topics Red Book*.³

While the *Red Book* shows prices by distributor for generic products (no brand name), to my knowledge, there are no satisfactory available data on the quantities of these products that are dispensed. In any event, indications point to few, if any, generic producers selling sufficient quantities or with enough market activity to prompt inclusion in the analysis. The items included in the PMA index are volume sellers and, therefore, are significant. The survey on sales volume, described here after, does not include data on generic products by distributor. For example, there is information on the sales volume of generically dispensed tetracycline in the aggregate, but not by distributors. Since

³ Published by Topics Publishing Co. of New York City.