

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.

Several additional observations are pertinent at this point. The introduction of unit dosages in hospitals, for instance, has made available a dose in a sanitary package, properly labelled with a space for the patient's name. That patient is thus assured there is less risk of a mixup in the medication provided, and of contamination from handling, and simultaneously the nurse can take care of her medications in much shorter time. The higher dosage cost is more than offset by the advantages that the unit dosage system makes possible.

Also an expenditure of relatively few dollars for tranquilizers now makes it possible for a person who formerly had required hospitalization in a mental institution to live at home with his family. And now chemotherapy is possible with patients, who before the advent of these drugs, were not amenable to psychiatric treatment. Our national drug bill must inevitably rise as such new products are developed to cure previously incurable illnesses whether these products implement or replace the use of other more expensive forms of medical services.

As indicated previously, we cannot escape the conclusion that the reduction in the mortality rate is accompanied by a rise in the morbidity rate. Many whose lives have been saved by progress in medical care and drug therapy, must rely on continued medical care and drug usage for long periods of time, and, in many instances, for the rest of their lives. Their very existence may depend on continuous drug therapy. It is thus inevitable that the quantity of pharmaceuticals consumed in this country must rise, not only because of a growing population, but because of our growing per capita reliance on drugs for protracted periods.

CONCLUSION

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 life spans and the advances of medical science inevitably must add to our drug bill. The continuing research discoveries in the chemo-therapeutic management of ailments which previously baffled the medical profession, have resulted in more extensive drug usage and an increase in our total drug bill. It is important, therefore, that while we note an increase in a patient's drug bill, we do not overlook the tremendously increased benefit to his well-being and the resulting positive contribution to our economy.

I hope, Mr. Chairman, and Gentlemen, that these somewhat lengthy remarks have shed additional light on drug prices and will contribute to a better understanding of the elements properly entering into the measuring of price changes.

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WHAT IS AN AVERAGE PRESCRIPTION CHARGE?

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An average prescription price, more properly referred to today as an average prescription charge, is a well-known item of statistical information in community and hospital pharmacy practice. Simply stated, it is an average value, expressed in dollars, of the total value of prescription revenue divided by the total number of prescription orders dispensed.