

3754 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Many of these conditions can be controlled or alleviated by modern medical care, especially by the proper use of drugs. This is reflected in the heavy expenses of the elderly for health care, and particularly in their heavy expenses for drugs.

Health Expenditures

Between 1950 and 1966, total national expenditures for health services and supplies--including hospital costs, physicians' fees, and drug costs--rose from \$11.9 billion to \$41.8 billion. (Per capita expenditures increased from \$78.20 to \$212.47.)

In that same period, expenditures for out-of-hospital prescription drugs rose from \$1.0 billion to \$3.2 billion. (Per capita expenditures increased from \$6.85 to \$16.05.)

The increase in drug expenditures has resulted in part from a greater number of prescriptions per individual--an average of about 2.4 acquisitions per capita in 1950 and 4.6 in 1966--as well as from a significant rise in the average cost of prescriptions.

In 1950, a number of independent surveys reported the average cost of all prescriptions at the retail level was between \$1.66 and \$2.03. In 1966, independent