

Now, is there any reason in the world why any public program or any program ought to be paying \$17.90 a 100 when it is available at 45 cents?

We have the same company, Schering, selling for \$17.90 to pharmacists and bidding for the U.S. Defense Supply Agency at 82 cents a 100. Do you have any defense for that?

Dr. ALFANO. No; I certainly cannot defend that type of action, Senator. What I was stating was, I think the physicians learn of this over a period of time. That is why Schering's portion of the market has dropped down considerably.

Senator NELSON. It has been dropping as a consequence of some publicity here in Washington, I think.

But it is not only Schering. Let me give you Ciba's reserpine. Ciba sells that to the pharmacists for \$39.50 a 1,000. However, they bid to the Defense Supply Agency not \$39.50, but \$3.95 a 100. The winner if you can imagine this incredible figure, the bid 89 cents. Now, 89 cents for a 1,000 versus \$39.50. The only reason they can charge \$39.50 in the retail marketplace is that they have used your publication and other medical publications to sell the brand name. So the doctor writes the brand name. The poor patient is getting gouged day in and day out.

Defense Supply is buying both brand names and generics. Defense Supply is making a good choice of a drug. I do not think there is any question about that. Why should the public pay that price?

This is what comes about, I think, from the continuous promotion of brand names, which you advocate in your statement, and which other doctors testifying before the committee have also. They have taken the drug company line on brand name and physicians become convinced that you have to use a brand name, then they become convinced that it has to be a certain brand name, like Meticorten. Thus, the public is constantly gouged.

Quite frankly, I think the drug industry has brainwashed the medical profession.

Dr. ALFANO. I am sorry you do not have confidence in the members of the medical profession, but it is not the fact of brainwashing the physicians. Physicians have faith and confidence in a particular pharmaceutical firm. They have had experience over a period of time with thousands of doses of medication. They are not willing to take a chance with an unknown preparation. A manufacturer not known to you—how can you feel secure in prescribing this for your patient?

Senator NELSON. This is the problem that troubles this committee. Every witness before the committee speaks with great admiration of the quality and integrity and scientific distinction of the Medical Letter, even the Pharmaceutical Manufacturers Association. Each witness, when asked, answered, we have a high regard for it.

Now, the Medical Letter here lists 22 brands of prednisone, Meticorten at \$17.90, American Pharmaceutical at \$1.80, Bryant Pharmaceutical, \$1.65, Darby, 61 cents, Wolins Pharmaceutical, 59 cents. In their statement to the physicians over the country, they say the great price spread among the tablets purchased from different pharmaceutical companies suggest the desirability of prescribing by generic name and specifying at least for patients of little means that the prescription be filled with low priced prednisone tablets. Why would not the medical