

profession rely upon the Medical Letter more than the claims of the advertisers in promotional shares? Which one would you put your confidence in—this Medical Letter or the particular name of the brand name company?

Dr. ALFANO. I do not think it is a simple answer either way. Personally, I would not use either one myself. You have to make your own judgments.

I know one or two of those names. I know one of them is a distributor, not a manufacturer. Therefore, they have gotten their particular drug that they are selling, I believe you said at 61 cents. They get it from somewhere else, somewhere along the line. But where is it from? I am afraid to give it to my patient until I know about it.

I will say, yes; I can try a particular known drug, run an experiment with my patients, carefully watch them, see them more frequently. It requires more recordkeeping. Then I can determine for myself as far as the efficacy or the therapeutic equivalent of that drug that I experiment with or am trying versus the one I have been using regularly. If I find it works out, I am satisfied with the results, cost-wise, it is better, naturally, I would use the one that costs less and yet produces the same effect. I think that is logical to do.

But not just because it has a price of 61 cents or \$1 versus \$17. I am not going to use it for price consideration primarily.

Senator NELSON. On what basis would an individual doctor, for example, decide to continue to prescribe Meticorten at \$17.90 per 100 when Merck sells at \$2.20? That is a distinguished brand name company.

Dr. ALFANO. I do not have the figures with me, but I will be glad to send them. But I believe Schering, which had 100 percent of the market, is down to 5 percent or less, which is an indication that the medical profession recognizes this factor of cost and has chosen other drugs than Schering's product.

Senator NELSON. I think we had testimony on Meticorten a year ago as to its share of the market. I do not have it before me. You might be correct that that is the share of the world market. They have a much higher share than that of the retail market.

When they have to bid in competition, they get beaten quite regularly, unless they lower the bids. It is the brand name retail marketplace, where brand name predominates, which is the important question. I will check and see what share they have now. But, of course, they have had a lot of publicity in the past year on their price and they did reduce that price to \$10.50.

Dr. ALFANO. I believe the medical profession then is cognizant of this price differential and does not blindly follow, say, Meticorten, which has been advertised or so-called brainwashed. They do not use it indiscriminately or continually. They change products or companies who can provide a quality product at a lower price. I believe all physicians throughout the country would do that.

Senator NELSON. Well, they certainly dominated the retail marketplace for a long, long time when other equivalents were available. That is the point.

On this whole field of pricing structure, which is what we are discussing, let me give you another example. The defense continually made before this committee about the prices they charge—the witnesses