A large number of drugs manufactured by generic manufacturers are marketed by brand name manufacturers. Now, let me just go back to the classic one we dealt with here on prices because it is typical, and if I had them, I could just list you dozens of drugs in which the prices vary from 500, 600, 700, 800 percent difference put out by brand name companies.

Now, let us take prednisone. W have a MAC program. The Medical Letter says that their clinicians advised them and the independent assay as done by a qualified laboratory indicate in the Medical Letter that all 22 brands of prednisone were equivalent, and therefore we advised the doctors—it is almost an exact quote—to prescribe the lowest priced generic drug. The price differential at that time was from $17.90 for 100 tablets of Meticorten. It has since gone down to 60 cents a hundred to the pharmacists.

There are just dozens of examples; brand name companies in the market with their brand of tetracycline or their brand of some antibiotics—all qualified companies—with price differentials of 200–300 percent.

Now, why should we take taxpayers' money to pay $17.90 for one brand of prednisone if that is the price to the pharmacy, versus 60 cents? Do you have a reason for that?

Mr. TRYGSTAD. If the product is identical in quality and therapeutic effect, there is no reason for that at all.

The CHAIRMAN. Well, I do not know if there is such a thing as identical products. My point is that the prednisone case is typical of dozens and dozens and dozens of the widely prescribed drugs. If you have a choice in the marketplace—and you are spending the taxpayers' money—and the price varies from 60 cents a hundred to $17.90 a hundred, and there is no evidence to indicate that one is better than the others, then should not the Government and taxpayers be paying for the lowest priced available drug of that compound in the marketplace, unless the person can prove that the $17.90 one is better. We had before us Dr. Conzen, president of the Schering Co. He could not prove that. He had no evidence, no studies whatsoever.

So automatically unless they prove elsewise, you might as well give the taxpayer the benefit of the doubt; should you not?

Mr. TRYGSTAD. Senator, when a selection of a pharmaceutical product is made by a physician prescribing it, and someone is going to change it to a different product, then I think the burden of proof that it is the same thing and will work as well should be on the person who makes the change.

The CHAIRMAN. Do you mean to say seriously that the day a physician gets his license and starts his practice, and there are an average of 30 brands of every single compound in the marketplace, an average of 30 per compound, 700 compounds, 20,000 drugs, and out comes the medical student who has now got his license, and the first day he prescribes the most expensive drug of the 30. Then you are saying that the Government must prove that his choice was not an informed, intelligent choice, and there is a better one? What is the basis for it? What knowledge does that first-day practicing physician have that is so superior that we will charge the taxpayer