

11834 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

Appel Pharmacy

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January 10, 1975

Mr. William L. Davis, President
Ayerst Laboratories
685 Third Avenue
New York, New York 10017

Dear President Davis:

Recently your local representative Patrick T. Kelley called on me to enlist my personal support for your company's opposition to the proposed HEW MAC regulations. Mr. Kelley explained that Ayerst had selected 200 of their key representatives each of whom is to solicit letters of opposition from five pharmacists. He also explained that you would personally present the 1000 letters to Secretary Weinberger as evidence of the opinion of the nation's pharmacists.

I am aware that yours is not the only company seeking to organize pharmacist opposition to the MAC regulations. I think this tactic should be effective because obviously sales representatives have within their means the incentives needed to persuade individual pharmacists to support the campaign.

In response to Mr. Kelley's request, I am pleased to provide you with this letter. I am sure that you will want to include it with the letters you present to Secretary Weinberger.

As Mr. Kelley will confirm, I spent better than an hour listening to his presentation. Fortunately, I made my own analysis of the HEW MAC policy against which I was able to evaluate the Ayerst arguments. I want you to know that having done my own thinking on the subject, I have no intention of lending my support to the industry's opposition. As far as this practicing pharmacist is concerned, HEW is moving in exactly the right direction. Further, I would regard it as a professional tragedy if pharmacists once again bailed out the industry to the detriment of the public and their own profession.

Sincerely,

William F. Appel, R.Ph.

WFA:pm

cc: Secretary Weinberger, Senator Kennedy, Senator Nelson
Senator Mondale, Senator Humphrey