

12342 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

was just 17 percent higher in 1974, than for unspecified generic prescriptions in the same size and strength.

In the case of Mylan Labs, cited by Dr. Pittman as the manufacturing source for erythromycin stearate sold by different firms at different prices, there are varying degrees of involvement, by the client firms, in setting manufacturing recipes and specifications and in quality control specifications. In view of these differences, including differences in raw material sourcing, it was really not accurate to describe the products as identical.

Incidentally, the lowest erythromycin price cited by Dr. Pittman, \$5.70 per hundred for Sherry Laboratories' version, is inaccurate. We have been informed by Sherry that the price is \$6.85.

Although both Scherer and Mylan have excellent reputations for quality, the PMA firms, such as Squibb, which occasionally use such contract manufacturers, are careful to test the quality of the finished products before being released to the market. This may not be done by a generic mail-order house.

Unknowingly, Dr. Pittman has accepted second-hand economic data. He does not seem to have checked it with Mylan, Scherer or the other companies involved. He seems to have reached conclusions as to the possibility of consumer saving from generic prescribing based on unrepresentative, and often inaccurate data on "average wholesale prices", without examining the evidence as to what actually happens at the retail level in the case of those prescriptions (approximately ten percent of the universe) which are presently written generically.

It should be understood that there is no documentation whatever of any