

CURBING MONETARY EXCESSES

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The problem of controlling and limiting public funds used in the purchase of pharmaceuticals does require a definitive solution. Some of the reasons for rejecting the recently published HEW regulations have been discussed in a recent editorial on these pages. These regulations would allow payment only for listed prescriptions, mostly generic, and they have been shown to be inadequate in several important respects. Yet, the high cost of many brand name drugs makes the finding of an equitable solution an urgent and imperative task.

Society protects the monopoly position of pharmaceutical brand names in the market place, and it makes only good sense that profits from such products fall within some regulated guidelines, to prevent unreasonable excesses. Although understandably more expensive than generic equivalents, the higher costs of brand name drugs should be reasonably related to the cost of equivalent non-brand products. Both pharmaceutical companies and dispensing pharmacists have not always been as scrupulous in their pricing policies as they might have been and as they should have been, considering their unique position in providing basic and essential services.

Blatantly unconscionable pricing policies have on occasion been pursued to maximize profits. The mail order price of 400 mg. tablets of meprobamate, for instance, is \$4.25 to \$4.50 per thousand. The same biochemical compound, under the trade name of Miltown, sells by mail order at \$61.20 per thousand, approximately 15 times the price of the generic equivalent. These prices are still more than

doubled as the average patient presents his prescription to the pharmacist. A spot check of Detroit pharmacies revealed that the price to the customer of 400 mg. tablets of Miltown was \$12.65 per one hundred, or \$126.50 per thousand, this being 30 times the price of its generic equivalent. This is by no means an isolated exception. Such ratios have very questionable validity even when private funds are expended, since the patient has no choice at all in what drugs he must buy. It is obviously totally unacceptable as society as a whole becomes the customer. Especially when public funds are spent, society can and should make a better bargain.

Pharmaceutical companies justly explain that the high cost of brand name drugs reflects in part the cost of research and development of new products. They also claim that wholesale and retail distributors are responsible for much of these costs, and that manufacturers of generic drugs often have low overhead, since they reap the benefits of the toil of others. The public is nevertheless entitled to spend its limited funds in a more rational and a less wasteful way. Unless drug companies and pharmacists are willing to be more careful in their pricing policies, they are bound to force the public into purchasing possibly inferior drugs, but at markedly lower prices.

Physicians' fees are sometimes open to similar criticism. Most physicians are hard working men and women who invest not only their time but also much of themselves in their patients. They work long and odd hours, for they have taken a solemn oath to prefer the needs of patients over their own convenience. Yet, some doctors see nothing wrong in charging excessively for such services.

Physicians, like artists, lawyers and other workers, are paid for their efforts, talents, experience and time. A Chagall painting is not valued simply in terms of the

minutes it took its creator to produce it, but more so in terms of the best price that it is able to command in the market. Some physicians value themselves similarly. A cardiologist in this city, for instance, has recently charged a \$10,000.00 fee for serving as a consultant in a case in which the total of other expenses for all hospital and laboratory bills and including all fees to other consultants and to the primary physician, who diligently attended to the patient throughout his illness, was less than \$5,000.00. The cardiologist claimed that, like an artist, his intuition, experience and skills were of such a unique and refined nature that they justified such a fee.

The whole question of physician compensation deserves a frank and open discussion and can only be hinted at now. Excesses of any kind must be curbed, however, without delay. If self regulation fails, others with questionable or obviously hostile motives will increase their efforts to take over and wrest control.