

economic experts in all the large mercantile establishments throughout the country. And now nearly the entire world has plunged into a great war resulting incidentally in a marked advance in the price of a thousand and one supplies. Nevertheless, despite all these things, we find many a druggist dispensing prescriptions at pretty nearly the same old figures.

The whole question sums itself up in one conclusion from which there is no logical escape. It is this: There is only one sensible method of pricing prescriptions or anything else. *The price should be based absolutely on the cost, plus expenses, plus a reasonable net profit.* Any other method is artificial. Any other method is absurd and ridiculous. This is the simple rule followed by every capable merchant and manufacturer, in every line of trade, and with every class of goods. There is no reason on earth why prescriptions should be any exception.

The great trouble is, in conclusion, that many druggists do not know their prescription costs. They haven't taken the trouble to figure them out. But, after all, it ought to be relatively easy for any man to adopt some such principle as the Evans method. Get 100 percent advance on the cost of material and container, and charge a dollar an hour for labor.

PRESCRIPTION PRICES IN DETROIT.*

WALTER M. CHASE:

During the past month more than a score of Detroit druggists have been called upon with the object of ascertaining what prices are charged for prescriptions, and also to find out how these prices are arrived at. While, from the data obtained, it would seem that the pharmacists of Detroit tend to secure fair prices, they are not, however, in all instances getting quite adequate returns for the material and workmanship involved. Particularly is this so when the increasing costs of merchandise and labor are considered.

The stores visited were not chosen at random, but were so selected that at least one out of every type of prescription department in the city might be investigated. They included down-town establishments, neighborhood stores, and places on the outskirts of the city. Managers of the prescription departments of chain stores, basement pharmacies, pharmacies in apartment houses, so-called "cut rate" stores, department stores, and stores located in exclusive sections and in sections populated by foreigners, were all asked to give their methods.

Perhaps the most striking feature brought out by the investigation was the number of different systems in vogue for arriving at selling prices. Some druggists use the N. A. R. D. schedule or modifications of it; some follow the Evans rule of doubling the cost of materials used and adding one dollar an hour for time consumed in compounding; some have a flat price based on the size of the prescription. Others make a special price on each pre-

*Read before Detroit Branch A. Ph. A. October 14, 1915.

scription, getting whatever they think the customer will stand for, while still others guess at a suitable price, depending upon their knowledge of the business to make it show a satisfactory profit.

The system employed by a certain chain of stores is dictated by the company's main office in the East. The schedule is quite a complicated one, but the prices obtained from following it compare most favorably with the best figures secured in other stores throughout the city. The schedule of prices approximates that obtained by users of the Evans rule. The cost of the ingredients is doubled; a charge is added for the label and container; and compounding is charged for at the rate of about \$1.50 an hour.

One druggist, who has no set rule, told me that his price depended entirely upon the customer he had to deal with. He took into consideration the ability of the customer to pay, whether the sale was a cash or a credit one, the likelihood of a refill, and for what purpose the medicine was intended. He informed me with a grin that a prescription for solution of argyrol and santal oil capsules had to show up a better margin of profit than one for elixir of iron, quinine and strychnine.

Another druggist said that a greater part of his business came from doctors in the vicinity, and that he and these physicians had worked out a price schedule, applying to most of the prescriptions received, which was satisfactory all around. This schedule was a "double-the-cost" one with minimum prices for mixtures containing inexpensive ingredients.

There seems to be quite a tendency to furnish poor patients with medicine at a sub-normal price. One druggist who does this says he makes up the difference on the chronic medicine-takers.

There seems also to be quite a decided tendency to make transient customers pay more than regulars.

The size of dose influences prices to a considerable extent. The smaller the dose the higher the price is, in proportion.

Except in occasional instances the policy of a neighboring store seems to have but little influence. The druggist whom I found to be getting top-notch prices was located almost directly across the street from one whose figures were comparatively low. And both had high-grade stores, each enjoying considerable patronage.

A druggist who did not stick closely to a schedule said that most of his customers asked for prices at the time the prescription was handed over. He always gave them a price at once and took care that it was high enough. He admitted, however, that during the recent skyrocketing of war prices his snap judgment in several cases had cost him real money.

From the variety of schedules in force—or in some cases, the lack of them—it was to be expected that prices for the same mixture would vary considerably in different stores. Such I found to be the case.

For an ordinary one-ounce prescription containing no expensive ingredients, and requiring no special manipulation to compound, prices ranging from 25 cents to 40 cents were quoted. Two druggists said that when the medicine was given in doses of a few drops each their charge would be 50 cents. Thirty-five cents was about the average charge for a one-ounce mixture.

Two-ounce prescriptions ran from 35 to 50 cents. Here again the size of dose came in, and the 50-cent prices were based on 10 or 15 drop doses. The average price was about 40 cents.

On three-ounce mixtures prices of from 40 to 60 cents were the most common. Fifty cents was the average.

The greatest unanimity of price was found on four-ounce mixtures. Sixty and 65 cents seemed to be almost universal charges. Three druggists, however, claimed to get 75 cents, and two are still sticking to the antedeluvian schedule calling for 50 cents.

A store that does a big patent medicine and toilet article business, but which according to the manager's statement does not care for prescription trade, considers 40 to 45 cents a fair price.

A store manager who gets exceptionally good prices says that his ordinary charge for a four-ounce mixture is usually about 60 or 65 cents. His contention is that customers sometimes kick at a 75-cent price, and in order to even up he gets 50 cents for all two and three-ounce mixtures, and even the same price for one-ounce prescriptions when the dose is small.

A druggist on the outskirts of the city sells four-ounce mixtures for 35 and 40 cents. He declares that these prices are the best he can get. That he is afraid of his shadow is evidenced by the fact that his nearest competitor is charging 60 cents and is getting the cream of the trade at that.

Six-ounce mixtures bring prices ranging from 75 to 90 cents.

For eight-ounce packages customers pay anywhere from 85 cents to \$1.25, with the majority getting off at one dollar. One druggist says he asks 95 cents because that sum doesn't strike the customer as being anywhere near so high as a dollar does.

Customers who have 16-ounce prescriptions are likely to be charged anything from \$1.25 to \$2.00.

Powders in dozen lots were quoted to me at from 25 to 60 cents. Forty and forty-five cents seem to be the average. The 25-cent man was the same one who sells four fluid ounces of a liquid for 35 or 40 cents. "Can't get any more," was his excuse.

Capsule prices run about the same as for powders with the exception of one store where 75 cents was the charge. Fifty cents a dozen seemed to be a popular charge.

The minimum charge for one ounce ointments is about 40 cents. Quite a few druggists get 50 cents, while two of them think 35 cents is enough.

To get an idea of the price a customer would have to pay for the same prescription in different stores I asked each druggist for his price on one fluid-ounce of a saturated solution of potassium iodide.

And what a conglomeration of prices I found! Here they are: 50 cents, 60 cents, 65 cents, 75 cents, 85 cents, 90 cents, \$1.00, and to top them all, a price of \$1.25! The cost of the iodide at the time of inquiry ran from \$4.50 to \$5.00 a pound, or about 30 cents an avoirdupois ounce.

One of the 50-cent men said he was satisfied with the profit that price gave him. Another said that a KI customer was usually good for a number of encores and that he was willing to take small profits repeated over a period of

months. A third said he would make a charge of 50 cents when he felt that the customer was having heavy bills for medicines and only a limited income with which to pay them.

The \$1.25 man said his customers expected the best of drugs, artistically prepared packages, special messenger service, and all the time they wanted in which to settle. Under such conditions he didn't consider that he was mulcting anyone.

In general the average price was in the neighborhood of 60 or 65 cents. A few got 75 cents or more. But great as were the variations in price, these were simply on a par with the various methods used in preparing the saturated solution itself.

To make it I found that different druggists were using anywhere from 360 to 480 grains of potassium iodide. Some used 6 drachms, some 7 drachms, some $7\frac{1}{2}$ drachms, some one avoirdupois ounce, and some an apothecaries' ounce. In certain cases the iodide was dissolved in a graduate, water enough being added to make a volume of one fluid-ounce. In other instances the iodide was dumped into a so-called one-ounce prescription bottle and enough water poured in to fill the bottle.

A solution of which one minim will represent one grain of salt can be prepared by adding five fluid-drachms of water to an apothecaries' ounce of potassium iodide, but a solution of that strength was used in only a few instances.

Whether or not prescriptions are shopped to any great extent appears to be a mooted question. Some of the druggists say that the practice is an uncommon one, while others assert that their prices are quite often cut by competitors. In general, however, the stores doing the largest business make their prices and stick to them regardless of the other fellow.

Most of the druggists aver that they respect the N. A. R. D. cost mark when it appears on a prescription, although I found one manager who said that in his store the cost mark was looked at and that was about all. If the price was the same as his established charge for the mixture, well and good; if not, it was disregarded. He declared, however, that he did not use the cost mark as an excuse to cut under and disorganize price conditions.

One interesting fact may be stated in conclusion. Mr. Nitardy, in his recent investigation, found that the average price obtained for 10,000 prescriptions was 50 cents. The largest druggist I called on told me that it had for years been the aim of his company to attain an average price of 60 cents. This means an increased net profit of 10 cents over the average figures discovered by Mr. Nitardy.