

ADDRESSES

THE RELATION OF THE COSTS OF MEDICINES TO THE COSTS OF MEDICAL CARE.*

BY ROBERT P. FISCHBLIS.

The practice of pharmacy in its various subdivisions has recently been subjected to a series of fact-finding surveys calculated to establish the need and importance of certain of its services to the public, as well as the efficiency with which these services are rendered and the adequacy of the compensation to the personnel engaged in rendering these services.

One need only mention the various State and regional surveys of prescription practice, the studies on the range of ingredients of prescriptions, the individual commercial studies of the St. Louis Survey conducted by the Department of Commerce and the recently completed study of the manufacture and distribution of drugs and medicines in the United States under the auspices of the Committee on the Costs of Medical Care, to call to mind the extent and far-reaching character of these undertakings.

While the busy pharmacist in his shop is apt to concentrate attention upon the practical aspects of these fact-finding studies and lose patience with the consideration of anything that does not seem to point the way to immediate improvement in his financial situation, the leaders in the profession must take the long view and endeavor to discover in the mass of data accumulated, the trends in pharmaceutical practice on which to base policies for the future development of Pharmacy along sane and logical lines.

No careful student of all of these surveys can escape the conclusion that the future of the practice of pharmacy is closely interwoven with the future of the practice of medicine. Pharmacy in its strictly professional aspects is a specialized form of medical service. The practice of medicine is an art which utilizes the sciences. It is also an economic activity with definite relations to the cost of living, the distribution of wealth and the purchasing habits of people. About one and one-half million American citizens, including about 120,000 pharmacists, make their living in this broad field and for their services the American people pay annually over three and one-half billion dollars.

The average citizen, concerned with his daily tasks and the problem of making a living, rarely stops to contemplate the magnitude of the machinery which moves with relative smoothness to care for him when he is overtaken by illness. It is difficult for him to visualize the extent of the various services which are concerned with medical care because he is as unfamiliar with the background of the practice of medicine as he is with its terminology. However, he does understand what it means to pay for an operation, a consultation of specialists, a laboratory test or a prescription.

Because sickness is unpredictable and falls unevenly upon a given group of the population and because the incomes of most families are low (in the United States it is estimated that 90% of all families have total incomes of less than \$2000 and 67% less than \$1500 per annum) the costs of medical care to afflicted families seem high.

Until the Committee on the Costs of Medical Care began its series of studies of the economic aspects of the prevention and care of sickness, it was difficult or impossible to interpret the extent of medical services in terms of dollars. The completion of many of these studies has provided means of comparing our national expenditures for medical care with expenditures for other necessities as well as luxuries. Thus we are enabled to test the validity of complaints regarding the high costs of various services.

It has been pointed out that about 3.5 billion dollars are spent annually for medical care. Roughly, 30% of this amount goes to physicians in private practice; 12% goes to dentists in private practice; 3.5% goes to sectarian practitioners; 2% to secondary practitioners; 3% to private duty nurses and 1% to practical nurses. About 1.3% is spent for eyeglasses; nearly 20% for drugs. Hospitals absorb about 23% of the total, public health activities take 3.5%; the army and navy medical service 0.4% and industrial and university medical service 0.3%.

* An address delivered at the First General Session of the Toronto meeting of the AMERICAN PHARMACEUTICAL ASSOCIATION, August 24, 1932.

It will be seen that the total expenditure for drugs is about two-thirds as much as the expenditure for the medical services of private practitioners and nearly double the expenditure for the services of dentists. In dollars, it is estimated at about 715 millions annually. When it is further considered that nearly 90% of this expenditure is made in the pharmacies of the United States, the drug industry and the practice of pharmacy loom as important factors in medical practice.

Three and a half billion dollars is a huge sum of money, but when this annual expenditure is compared with the 4 billion dollars spent in one year for new passenger automobiles, or one and a half billion dollars spent for tobacco products, or one and a quarter billion spent for moving pictures it does not seem quite so formidable.

The total expenditure for medical care was about 4% of the money income of the country in 1929, which is approximately \$30 per capita. This means that for every man, woman and child in the United States, there is an annual expenditure of \$6 for drugs and medicines, and of this \$5.40 is spent in our pharmacies.

Undoubtedly, the importance of the profession of Pharmacy in this picture is minimized by the fact that over 50% of the expenditure for drugs by the public represents money spent for secret formula products or patent medicines. Only 26% of the expenditure is for prescriptions, the balance being for home remedies and medicines used in hospitals and dispensaries.

With practically no restrictions of any kind governing the sale of patent or proprietary medicines, the tendency on the part of the public as well as the manufacturers of these products is to look upon them as mere merchandise. It is natural that this tendency should extend to packaged medicines of all kinds. The merchandising of medicines has attracted the attention of "big business," and at a time in the history of the world when industry in general has gradually been led away from the primary objective of production of goods for need, with profit as an incidental reward, to production of money profits for capitalization, with production of goods as an incidental means, it has been impossible to avoid the effects of such a change upon the drug industry.

In recent years, "big business" has been absorbing and assimilating as rapidly as possible the profit-producing features of the Practice of Pharmacy. Witness, for example, the virtually complete control of all popular proprietary medicines that can lay claim to any therapeutic value by a few financial groups; the gradually increasing control of all important wholesale and retail outlets by the same or similar financial groups; the gradual control of the popular lines of drug products, cosmetics, confectionery and other side lines sold in so-called independent drug stores by the same or similar financial groups. Witness further the gradual divorce between the power of control and knowledge which Mr. Justice Holmes, in his dissenting opinion in the Pennsylvania ownership law case, properly characterized as an evil. We have seen the passing of control of many of our manufacturing pharmaceutical houses from the hands of the pharmacists who organized them, and as pharmacists could be expected to frown on unprofessional practices, to the hands of financiers motivated solely by the instinct for profits. To them medicine is merchandise; drugs are to be sold and the methods of sale are the high-pressure methods of big business. What does it matter whether the health of the nation is good and the public demand for drugs is below normal? We must overcome this sales resistance just as we overcome resistance to the sale of bonds, or lumber or cigarettes.

Here we have the parting of the ways between professional pharmacy as a specialized form of medical service and the drug business. The need for the services of professional pharmacists is predicated primarily upon the need of properly prepared medicines ordered by a physician to meet an individual illness. Legally at least, his services are not required to dispense non-poisonous patent or proprietary medicines. When pharmacists advocate close adherence to orthodox medical practice they may be accused of being more interested in their own welfare than in the common good. It is therefore gratifying that a disinterested group of as high standing as the Committee on the Costs of Medical Care, after careful investigation of the facts, has come to certain conclusions which strongly emphasize the importance of the practice of professional pharmacy by pharmacists.

They have made 4 recommendations based on these conclusions, which, if carried out, would go far in establishing professional pharmacy upon a firm foundation. These recommendations are as follows:

- I. More adequate use should be made of the professional knowledge and skill of pharmacists by such methods as: (a) increasing the opportunities for prescription compounding through elimination of the prescribing of branded products by physicians; (b) permitting the instruction of drug store customers in the proper use of medicines which are purchased for self-medication, but not to the extent of diagnosing patients' ailments or recommending medicines based upon description of symptoms; (c) arranging for the distribution by the pharmacist of general health information prepared by health departments, both with regard to medicines and general matters of hygiene; (d) arranging for the distribution of information to the public concerning the availability of physicians and hospitals, on the basis of lists of physicians provided by local medical or hospital associations.
- II. Agencies should be established to prepare and disseminate accurate information concerning the proper use of selected lists of "home remedies" appropriate for self-medication. The lists should be established by a committee of physicians and pharmacists of unquestioned reputation and standing; the distribution of the literature may be accomplished by health departments, hospitals, drug stores, or appropriate lay associations. Universal and unnecessary use of home remedies, "patent medicines," and other self-prescribed medicine should be vigorously discouraged.
- III. Secret-formula drugs and medicines should be abolished through the compulsory disclosure on the label of the kind and quantity of medicinal ingredients. Individuals or enterprises which have developed new and distinct preparations should be financially protected by appropriate privileges granted by the United States Patent Office or by a disinterested agency established for the purpose.
- IV. All manufacturers of drugs and medicines, regardless of class or kind, should be required to operate under annual licenses to be granted by the federal government upon the fulfilment of satisfactory conditions with regard to competency of personnel, equipment and sanitary surroundings, and standardization of finished products.

Pharmacists have been urged at various times to become politically-minded in order to conserve their rights and privileges.

It would seem that the real need of the moment is to remain professionally-minded and as rapidly as possible to become inter-professionally-minded for it is certain that professional pharmacy cannot progress independently of medicine and the other health professions.

THE NEED OF HIGHER EDUCATIONAL STANDARDS.*

ADDRESS BY A. J. WILKINSON, CHAIRMAN OF THE COUNCIL OF THE C. PH. A.

On account of the qualifications required by the various provinces of Canada to enable one to enter upon the practise of Pharmacy, it must be conceded that the men who have conformed to these legal requirements and fitted themselves to become licentiates in Pharmacy are surely entitled to be classed as professional men; but I think I hear some of you say that the public still looks upon us as merely shopkeepers who are receiving handsome profit on the sale of our merchandise—shopkeepers who have wasted several years of our lives at college in order to obtain a license to stay open upon Sundays and holidays and to sell everything from soaps to souvenirs.

Some of you, no doubt, believe that the present standard of education is now in excess of the needs of the pharmacist; that he is forced to acquire educational qualifications for which in the practical world of business he has no need, and which are soon forgotten, anyway. I heard one man suggest—not seriously I think—that we disband our college and repeal the Pharmacy Act, saying that it was no good because it gave the druggist no protection.

* Toronto A. Ph. A. meeting.