Ensuring Fairness in Prescription Drug Prices

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The Nov. 2 editorial "An Election on Drugs" overlooked one salient fact. Most of the money spent on developing new drugs comes from public funds via the National Institutes of Health and universities. In fact, according to an analysis by health services professor Alan Sager, the big drug companies spent only 11 percent of their budget on research and development in 1999. This compares with 16 percent profit.

More important, they spent 31 percent on marketing and administration. This marketing is principally aimed at getting us to use expensive drugs in situations where cheaper drugs would suffice. It includes not only the odious ads bombarding us on television and radio and in magazines and newspapers but also the thousands of ill-educated drug "pushers" who flood doctors' offices with misinformation.

It also includes payments to physicians both direct (incentives to prescribe very expensive drugs) and indirect (meals and vacations at resorts under the guise of conferences and education).

All of this is not only unnecessary but actually harmful. Drug prices could be reduced by one-third without affecting research in the slightest.

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