

United States & D. Carr.

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June 14th, 1967

Hon. John V. Lindsay,
Mayor, City of New York
City Hall
New York, New York

Dear Mayor Lindsay:

Since our candid discussion on the high cost of prescription medicine, New York City's policy has gone from progressive to reactionary.

I get the feeling that I might have been better off if I had not made the personal appeal to you, although I know enough about how the situation degenerated not to blame you. But if I sound a little bitter, it is an accurate reflection of how I feel.

As you know, many of us have worked for almost a decade (my own involvement has been for four of five years) to get the Senate to take up this question of drug prices in a meaningful way. What has happened as a result of the city's public retreat is best summed up by the city's private counsel in the drug inquiry, David Shapiro (who reported his strong feelings to Rankin): "New York City has wiped out all the progress made in the first days of the Nelson hearings."

The city has done three things:

(1) It has had its official spokesman, Dr. Haughton, tell the Senate that he is unsure of the safety of generic prescribing, although this generic prescribing is required for all welfare recipients. The conclusion is that the city's poor have been receiving either unsafe or second class medical service.

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Mayor Lindsay

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This, of course, is not the case. The city has no information to indicate that this is the case. But this is the case that was presented to a shocked Senate committee. And it is a powerful argument which conservatives can use against you or the drug industry will promote in its own self-interest.

(2) The city's policy of mandating generic prescribing for welfare clients, the system which Senator Long (and 18 other Senators) have proposed in their new legislation for Medicare, is being reversed so that the policy is now one of voluntary compliance, the position of the drug industry.

This change comes despite the city's statements (in the past) that this policy has been both economical and safe, and the city has no information to show otherwise.

(3) The city's official spokesman has not only repeated the previous discredited drug industry arguments (that generics are unsafe), but the newly developed (since the Keelson hearings) that generics may not be cheaper than trade name products.

There is also no basis for this conclusion. The survey conducted by Kewesday showed that on Long Island the Medicaid prescriptions were 75 percent trade name, at a higher cost of from 200 to 500 percent. Similar surveys have been conducted elsewhere in New York. Our own work in the Citizens Committee proves that generic cost less -- every time.

We told Lou the Citizens Committee would ask you to "clarify" the city's position, and he indicated you were prepared to take this action. Therefore:

Is the city's policy, as stated to us, to purchase and prescribe generically whenever possible?

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Does the city have any doubts about the safety of generic prescribing?

If the city's policy has revealed no medical flaws, why is the city on record with the Senate to reverse its policy?

Of the more than one million prescriptions filled by pharmacists, at random, throughout the city for welfare recipients, has there been any complaints that those prescribed generically have been unsafe or did not meet the full requirements of the physicians?

Is the city really going to lift its mandatory generic policy?

And, Mr. Mayor, my own suspicions are aroused. Why, at this time of crisis, at this time when the drug industry is trying to discredit the New York City experience, does the city suddenly and unexpectedly reverse its progressive policies? Who is at fault? How did it happen? And I raise again the private questions I raised with Commissioner Ginsberg (a man I respect for his honesty, creativity, and ability): Why did the city promise four years ago to upgrade its generic list to include the most widely prescribed medicines and then secretly renege on the promise?

I claimed this cost the city "millions". Ginsberg's people say this figure is much too high. That's debatable, but it's not an issue which I want to fight now. However, they also told him that the city's policy was changed, but that it was changed "informally"; that, while the officially publicized lists did not contain the drugs we said were omitted, there was a "word of mouth" understanding. The crux of the matter is that although new lists were published, they never got around to formalizing the policy. Their arguments are pure nonsense and something I feel the city would not want to bring out into the open. I have not opened up this argument on the understanding that the new lists will include the most widely prescribed drugs, and that the so-called "word of mouth" will be formalized in the printed instructions.

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But the four year lag, on the most contended drugs, caused the Citizens Committee to begin personal worth surveys of high city officials, just to see what might be happening.

If you sometimes feel "sold out", you must know how I feel on the drug issue.

The most immediate result of my attitude is to proceed on the HRA in my own fashion to create change rather than provide a private memo to you. What we do will not be directed at you, but at the failure of the HRA to perform. I am now putting into one comprehensive document all the reports we have from all over the city for the last year (we have had one Citizens Committee person assigned to each area of the city). We will drop this information piece by piece until we are convinced that the administrative changes are being made.

My public position is that Swiridoff is the best in the country, and Nicolau is as good as he is. But that the donkey tail of responsibility goes from Swiridoff to Procaccino to you and back again. Someone has to sit down at a table and crack heads and get something done. No one can do that but you. We see no improvement over last year when the city lost half of its Headstart money (we did) because of sloppy administration.

My personal feeling is that one of these days right soon, a small group in the slum area won't get paid on time, they will throw a couple of bricks, the trouble will start (as it must this summer), and the poverty program's administration will get the blame. I'm for the program and feel the city's failure is going to hurt the program at precisely the time Congress will be debating poverty appropriations.

If I'm good at anything, Mr. Mayor, it's at shaping an argument so that people can understand it and so that newspapermen can report it. I intend to do that with HRA. The final straw was the series of events on the generic drug situation dealing with what I considered a highly personal appeal to the city on a vital issue.

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Major Gateway

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On the consumer discussion, I will follow through with you as outlined. We have suggested the closing up of some stores as a start to gain credibility. We have forwarded to you our lengthy outline of the city's consumer problems. I will help here any way I can. In this area, I feel, there is the hope of progress.

As you can guess, this is a personal letter. The only parts which are in the public realm are the ones you asked us to pose to you about the nature of the city's policy. And these will come on Citizens Committee statements. We sincerely hope you will clear up that matter as soon as possible. We will nip around the edges to speed things up, but we won't stir it up any more than that. The female committee, as you might guess, is upset as hell. And they might plan a counter-attack. I have asked them not to move until you have had a chance to restriction things out. You has been in conversation with the committee's general counsel, Ben Gordon (a tough SOB who personally kept the A.B.C./I.T.T. matter from culmination).

That's it. Sorry this has to be negative. I'm still an admirer of yours. I still believe you want to make things. I still won't take on the responsibility for the Democrats of cutting you down. But, like the proverb, I prefer to be the arbitrator of my own future on the terms on which I feel very strongly.

Sincerely,

William F. Haddad

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