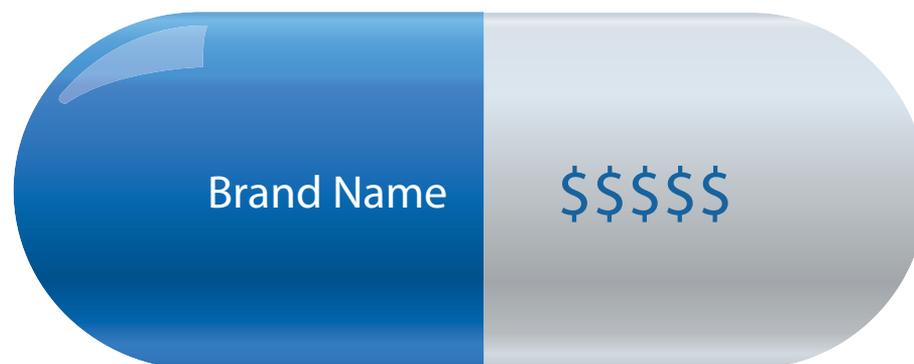


# Generic Drugs

## *Your Prescription for Savings*



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More than half of the prescription drugs available today have a generic option for consumers.



When a new generic drug product is approved, it has met all the standards established by the U.S. Food and Drug Administration (FDA).



The FDA requires generic drugs to have the same quality and performance as brand name drugs.

The term "generic" holds many connotations in the minds of consumers—many of them negative. For a variety of reasons, including quality and effectiveness, generic products are sometimes perceived as being inferior to a brand name.

When it comes to generic prescription drugs, the U.S. Food and Drug Administration (FDA) requires all generic drugs to have the same quality and performance as their brand name equivalents. When a new generic drug product is approved, it has met all the standards established by the FDA.

The only difference is the cost of the medication to the consumer.

More than half of the prescription drugs available today have a generic option for consumers. And still, each year the use of brand name medications, when clinically-equivalent generics are available, results in billions of dollars of unnecessary costs to U.S. consumers.

### Vast Price Difference

According to the FDA, while the average price of brand name drugs increased 16.2 percent in 2015 and 98.2 percent since 2011, generic drug prices for the most commonly used drugs actually decreased 20.7 percent from 2014 to 2015. On average, the cost of a generic drug is 80 - 85 percent lower than the brand name equivalent.

Similar to any new product being developed, brand name drugs are created under patent protection. While it's in effect, the patent gives the drug manufacturer the sole right to manufacture and sell the drug. When the patent expires, other manufacturers then have the opportunity to apply to the FDA for the chance to manufacture and to sell the generic version.

Manufacturers of generic drugs don't have to repeat the costly clinical trials of new drugs, and generics aren't usually the drugs seen in advertising and promotions, which drives up the price of the brand name. Also, if multiple generic companies are approved to market a single product, competition between them often results in lower prices for consumers.

### Quality, Safety and Effectiveness

The FDA requires generic drugs to have the same quality and performance as brand name drugs. The only physical differences in the generic version compared to the brand are that the drugs may be different in size, color and shape, and may also contain different dyes or fillers.

Generic drug manufacturers must submit an Abbreviated New Drug Application (ANDA) for approval to market the generic product. Before the FDA approves new generic drugs, the drugs are put through a rigorous, multi-step approval process that covers everything from quality and performance to manufacturing and labeling. To gain approval a generic drug must:

- ▶ Contain the same active ingredients as the brand name drug
- ▶ Be identical in strength, dosage form and route of administration
- ▶ Have the same use of indications
- ▶ Be bioequivalent (drugs must have the same active ingredients, strength, dosage, route of medication delivery and safety)
- ▶ Meet the same batch requirements for identity, strength, purity and quality
- ▶ Be manufactured under the same strict standards of the FDA's good manufacturing practice regulations required for brand name products

As for safety concerns, the monitoring of post-market adverse events for all drug products, including generic drugs, is one aspect of the overall FDA effort to evaluate the safety of drugs after approval.

### "Is There a Generic for That?"

Most prescription drug plans, including the Christian Brothers Employee Benefit Trust, have a lower copayment for generic medications because the cost of generic medications is considerably less expensive than brand name medications. This saves both the consumer and the Plan substantially.

Staying informed about generic medications allows consumers and their medical providers to make confident decisions in helping to control prescription medication costs.

Be sure to review all of your medications with your doctor or pharmacist regularly, and ask them to check for a generic substitute when you need a prescription. For more information, check the Express Scripts link called "My Rx Drugs" at myCBS.org/health. The information available on this site can help you make decisions that may save you significant dollars on your prescription drug costs. ☀

For more information on any of the Health Benefit Services plans, contact Dawn Sterland at 800.807.0100 x2642.

John Airola is the Managing Director of Christian Brothers Health Benefit Services.

### Download a list of the most commonly prescribed drugs.

The list represents an abbreviated version of the drug list (formulary) that is at the core of your prescription drug benefit plan. The list is not all-inclusive and does not guarantee coverage. In addition to using this list, you are encouraged to ask your doctor to prescribe generic drugs whenever appropriate. Download at: [https://www.cbsecurities.org/2017\\_formulary](https://www.cbsecurities.org/2017_formulary)

PLEASE NOTE: Brand name drugs may move to nonformulary status if a generic version becomes available during the year. Not all the drugs listed are covered by all prescription drug benefit programs; check your benefit materials for the specific drugs covered and the copayments for your prescription drug benefit program. For specific questions about your coverage, please call the phone number printed on your member ID card.

