A health and benefits program of Christian Brothers Services

Maintaining *your health*

Generic Drugs: Your Prescription for Savings

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 seen as being inferior to a brand name.

But 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 the brand name equivalents. When a new generic drug product is approved, it has already met all of 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 consumers in the U.S.

Big 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 to 85 percent lower than the brand name product.

You might be asking yourself how this can be. How can there be that big of a difference in price between generic drugs and their brand name counterparts?

But there are reasons behind the cost savings. Like any new product being developed, brand name drugs are created under patent protection. While it's in effect, the patent gives the drug manufacturer sole right to sell the drug. When the patent expires, other manufacturers then have the opportunity to apply to the FDA to sell generic versions.

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 compared to the original brand are that the drug may be a different color or shape, and may have different dye 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*
- *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 medical trusts administered by Christian Brothers Services, have a lower co-payment for generic medications because the cost of generic medications is considerably less expensive than brand name medications.

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.

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For more information, check the Express Scripts link called "My Rx Drugs" at myCBS.org/health.

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