



HEALTH ADVANTAGE

Generic Drugs: *What and Why?*

Generic drugs are a cost effective and safe alternative to high cost, name-brand drugs. To help you understand what generic drugs are all about and why health care professionals and consumers support their use, we have provided some frequently asked questions, with the answers!

What is a generic drug?

A generic drug is a medication whose active ingredients, safety, dosage, quality and strength are identical to that of its brand-name counterpart.

When a new drug becomes available, it is sold under a brand-name chosen by the manufacturer and it is protected by a patent. After the patent protection expires, other manufactures can begin offering a drug with the same active ingredients as the brand-name drug. These drugs are called generic.

Why do generic equivalents cost less?

While the drug remains patent protected, the cost of the drug is high. This allows pharmaceutical companies to recoup their investment costs associated with the needed research of new drugs. Once the patent has expired, any pharmaceutical manufacturer can take the active ingredients and produce a drug.

Are their differences between the brand-name drug and its generic alternative?

Yes. Although the active ingredients are identical, you may notice such differences as shape, packaging, and inactive ingredients like color and flavors. A generic drug must have the identical active ingredients and be equivalent in strength and dosage as the original brand drug.

Are generic drugs as safe and as good as the original brand-name drug?

Yes. The Food and Drug Administration (FDA) has the exact same quality standards for all drugs, both brand and generic. Likewise, before a generic drug is available for sale, the manufacturer of the generic drug must prove that the generic version has the same active ingredients as the brand-name drug, has been proven to be as safe as the brand-name drug and works in the body just like the brand-name drug.

Are generic drugs available for all brand-name drugs?

No. Manufacturers can only produce generic drugs after the brand-name drug's patent has expired. However, even after a patent has expired, manufacturers may choose to not produce a generic version. About 50% of all brand-name drugs have generic alternatives.

Are all generic drugs on the Formulary?

No. Even with generic medications there can occasionally be wide variations in cost. Health Advantage takes this into consideration when (per therapeutic class) placing generics on the Formulary.

Using generic drugs is one critical way that we can all contribute to the responsible spending of our health care dollars without compromising quality.