



Generic drugs save you money

Generic drugs: The unadvertised brand

Generic drugs are made with the same active ingredients and produce the same effects in the body as their brand-name equivalents. They are approved by the Food and Drug Administration as safe, effective treatment options, and they save you money.

BCN encourages the use of generics

Since the major difference between brand-name and generic drugs is price, your prescription will automatically be filled with the generic equivalent when medically appropriate.

Brand-name drugs that physicians prescribe to be dispensed-as-written, but are available as generics, are covered only when determined to be medically necessary by your physician and approved by BCN. This process encourages the use of equally effective generic drugs. Your doctor can request prior authorization by calling BCN's pharmacy help desk.

If a dispense-as-written prescription is authorized, you will be responsible for your usual copayment for the brand-name drug. If it is not authorized, you must pay the difference in cost between the brand-name product and the generic drug, in addition to your copayment for brand-name medications.

Who makes generics?

Drugs are originally marketed by their brand name, which is protected by patent for up to 20 years. Until the patent expires, no other companies can produce the generic equivalent, keeping the cost to the consumer higher. When the drug patent expires, the drug can be released by other companies. Brand-name firms are linked to an estimated 50 percent of generic drug production. The only difference may be the color or shape of the drug and the price.

Savings with generics

According to the Congressional Budget Office, generic drugs save consumers an estimated \$8 billion to \$10 billion a year at retail pharmacies. Billions more are saved if hospitals use generics.

For Michigan Blues customers, estimates show that even a one-percent increase in the use of generics would result in savings of \$17 million.

The cost of advertising

Drug companies spend billions of dollars targeting consumers. Their ads for prescription drugs can increase your awareness of treatment options, which is good. But they may also create an artificial demand for a drug, which means you often spend more money on their advertised prescription drug.

Generics are endorsed

The American Medical Association, the largest organization of medical doctors, endorses generic drugs as acceptable for the American public. Most hospitals routinely use generic drugs for treatment of their patients. The FDA enforces generic drug standards through legislation.

To learn more about generic drugs and see how much money you can save by switching to a generic, visit theunadvertisedbrand.com.

Questions?

Call Customer Service at 800-662-6667 between 8 a.m. and 5:30 p.m., Monday through Friday. TTY users can call 800-257-9980.

This FYI was developed to provide BCN members with information about the effectiveness and cost-savings of generic drugs.

Blue Care Network is online at MiBCN.com



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of Michigan

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