

KNOW YOUR BENEFITS.

From



Generic Medications

With the rising costs of health care, many consumers are turning to generic medicine as a way to reduce expenses. The use of generic medication saves more than \$150 billion per year in the United States, with that number expected to rise in the coming years. Read on to learn about the value generic medications provide.

Brand Name Versus Generic

Although an increasing amount of consumers are switching to generic drugs, a large segment of the population doesn't know the difference between brand name and generic medication.

When a new medicine is invented, a patent is filed so that no other company may reproduce that drug. While the patent is current, companies can charge a much higher price for the drug because there is no competition. In addition, companies often spend large amounts of money for advertising and promotion, further increasing the cost of the brand name medication.

When a medication's patent expires, other companies may produce this drug, creating generic medications. Because of the increased competition, and because these other companies rarely spend money on advertising, the price of the generic drug is significantly lower.

Are Generic Drugs Safe?

A common misconception among consumers is that a generic medication is inferior to a brand name medication. In actuality, a generic drug is identical to a brand name drug in dosage, form, safety, strength, route of administration, quality, performance characteristics and intended use.

In addition, any generic medication approved by the Food and Drug Administration (FDA) must pass the same stringent standards as brand name drugs. To gain FDA approval, a generic drug must:

- Contain the same active ingredients as the innovator drug
- Be identical in strength, dosage, form and route of administration

The use of generic medication saves more than \$150 billion annually, with that number expected to rise in the coming years.

- Have the same use indicators
- Meet the same batch requirements of identity, strength, purity and quality
- Be manufactured under the same strict standards of the FDA's good manufacturer practice regulations required for innovator products

Benefits of Generic Drugs

Due to advertising, marketing, promotion and other costs, brand name drugs prices are significantly higher than generic medication costs—often 80 to 85 percent more expensive. For example, Prozac®, a brand name depression medication is often sold for \$2.09 per pill, while Fluoxetine, a generic version, is often priced at \$0.20 per pill.

To take advantage of these savings, talk to your doctor about the possibility of using generic medications. To find out if a medication you are currently taking has a generic version, visit

www.fda.gov/drugs/developmentapprovalprocess/howdrugsaredevelopedandapproved/approvalapplications/abbreviatednewdrugapplicationandgenerics/ucm126389.htm.