Generic drugs—a safe and effective answer

Less expensive alternatives dramatically increase savings

**How can I save money on my health care?**

All of us in northeastern and north central Pennsylvania understand how increasing health care costs are negatively impacting our region’s families and businesses. As a result, many organizations and individuals are working hard to find ways to slow those increases.

One answer we can all agree upon is generic drugs. They are safe, effective, readily accessible and significantly less expensive.

Statistics show that for every 1% rise in the use of generic pharmaceuticals among our membership, gross prescription drug costs decrease by 1.9%. Multiply that by an ever-increasing number of consumers who are switching to generics, and you start to see the significant savings we can realize across the health care and health insurance landscape.

**What are the savings in dollars and cents?**

According to the Generic Pharmaceutical Association, a national trade organization, generics typically cost 30% to 80% less than brand-name drugs and carry lower copays in health plans. The price comparison is sharp when we look at it in dollars and cents.

According to the Health Care Cost Institute, in 2011 the average retail price of a brand-name prescription in the U.S. was $268. The average price for a generic was $33.

The savings from using generics instead of brands, when appropriate, can slow the rise in health insurance premiums—and that puts money back into the pockets of consumers.

**Do generic drugs work as well?**

Patients want the best medications for themselves and their families when they’re ill. They may think “less expensive” means “less effective.” But the reality is, generics are simply brand names in disguise. Generic drug manufacturers must prove that their version is “bioequivalent” to the brand-name medication—that means it must deliver the same amount of the active ingredient in the same timeframe as the original brand-name drug. Manufacturers must also show that their version has the same strength, purity, quality and stability as the brand name. With very few exceptions, generics work just as well as brand names.

With generics, you’re paying less but not getting less. Generics are less expensive because generic drug manufacturers do not have the investment costs that brand-name drugs carry. New medications are developed over many years, at a cost of millions of dollars, under patents that protect the company’s investment for up to 20 years.
Saving money with generic drugs
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How can I start saving money?
Consumers are showing a greater awareness that generics are a less expensive alternative with similar benefits. Nearly 8 in 10 prescriptions filled in the U.S. are for generic drugs, according to the U.S. Food and Drug Administration.

And there’s another great benefit to generics: Consumers have a voice in their own health care savings. Ask your doctor if a generic drug is right for you when medication is prescribed. If so, request it. On the provider side, doctors should advise patients that a generic alternative is available and effective, and recommend it. And employers can join with their insurers to help educate employees about the benefits of generics.