

Saving lives and saving dollars

How encouraging the use of generic drugs can help lower your health care costs **Interviewed by Meredyth McKenzie**

High prescription drug costs have resulted in many Americans failing to fill their prescriptions, cutting pills in half or skipping doses to make their medications last longer.

Health insurance costs are also increasing, and many employers are looking for ways to save money. One way to do that is by encouraging employees to use generic drugs, which can bring about significant savings. At least three-quarters of brand-name drugs have a generic alternative, and about 70 percent of all medications dispensed each year are generics.

"Generic medications are widely accepted by doctors and pharmacists as being as safe and as clinically effective as their brand-name counterparts," says Steven Marciniak, R.Ph., director of pharmacy administration at Priority Health.

Smart Business spoke with Marciniak about the cost savings of generics versus brand-name drugs, the pros and cons of each, and how to educate employees about drug safety.

How can an employer benefit from employees taking generic drugs over brand-name ones?

You will have lower health care costs. Generics cost less, and employees will have lower co-pays. The employee then may be more likely to get the prescription filled regularly. He or she won't skip doses or miss getting the prescription filled.

If he or she is taking medication regularly, you're going to have a healthier work force, maintain productivity and have less absenteeism.

What is the typical cost difference between generics and brand-name drugs?

The average brand-name medication costs around \$150, while the average generic medication is less than \$20. It's important that people don't relate lower costs to lower quality.

You might ask, why the price difference if the drug is just as good? Brand-name drug manufacturers spend a lot of money on research and development, marketing, direct-to-consumer advertising and sales representatives to promote the product to physicians. These expenses are built into the drug's cost.

Generic-drug manufacturers have much lower costs and pass these savings on to you. They don't have overhead costs, re-



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search and development, direct-to-consumer advertising, or a sales force. They're then able to produce and price these products at a lower cost.

What are the pros and cons of using generics versus brand-name drugs?

From a clinical standpoint, a generic drug is identical to its brand-name counterpart. But there may be several manufacturers for a generic instead of a single manufacturer. Generics can also come in different shapes and sizes.

As long as you go to the same pharmacy, it's not an issue. But if you go from store to store, different pharmacies use different wholesalers, so you may get a different product. Always double-check with your pharmacist if the medication looks different.

Is it safe to recommend generic drugs to employees?

The U.S. Food and Drug Administration approves both brand-name and generic drugs before they are marketed in the U.S. All generic drugs are required to contain the same active ingredients as brand-name drugs and must be absorbed and used in the body the same way. As long as the

FDA approves a generic, it should be considered as safe and effective as its brand-name counterpart.

All drugs are officially considered safe and effective when approved. However, generic drugs often have a much longer track record of safety than newer, branded drugs because generics cannot be brought to market until the brand name's patent has expired. The generic drug has been on the market for a long time, often 12 years or more. By that time, millions of people have been prescribed the drug, and its safety has been well established.

In contrast, most of the recent brand-name drug withdrawals have involved products that were on the market for a relatively short period, many between one and six years. There has never been a generic drug recalled due to safety issues, although there have been recalls based on a manufacturing process or violation.

What are the incentives for employees to take generic drugs?

First, co-payment savings. From a clinical standpoint, the generic is just as good as the brand name, and it's going to do the exact same thing for less money.

Second, generics keep medical care more affordable for everyone. The cost savings from using a generic versus a brand-name drug may be spent on another aspect of health care.

How can employees become better educated about drug safety?

Employees should talk to their pharmacist, especially when starting a new medication. You have a lot more time to talk with your pharmacist than when in a doctor's office.

Ask questions, such as when you should take the medication, the expected side effects, how long you should take the medication and what to do if you miss a dose. It's also important to know if your medication is replacing something that you were using previously to ensure that you are not overmedicating.

All medications can be dangerous if not taken correctly. Overuse can increase the incidence of side effects, while underuse may not provide the desired outcome. <<

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