

Information About Your Pharmacy Benefit

Generics Can Help You Save Money

What is a generic drug?

A generic drug is identical (or bioequivalent) to a brand name drug in intended use, dosage, strength, effectiveness and safety. For a generic drug to be approved, it must meet the same quality standards as the brand name product. The generic manufacturing, packaging, and testing sites must meet the same standards. Many generics are produced in the same manufacturing plant as their branded counterparts.

Are generics as effective as the brand?

Yes. Generic drugs are required by the Food and Drug Administration (FDA) to have the same active ingredient, strength, dosage form, and route of administration as the branded product. The FDA ensures this via thorough testing and review of bioequivalence data.

How exactly does a generic drug differ from a brand?

The major difference between a generic and brand name drug is the price. Most generics cost 70% to 90% less than the brand, thereby saving consumers an estimated \$8 billion to \$10 billion a year at pharmacies. Billions more are saved by hospitals using generics. A generic drug may also differ from a brand in terms of shape, color or packaging only affect how the medicine looks, not how it works.

How do I get generic drugs? Will my doctor prescribe them?

The generic substitution laws in the U.S. vary by state. Some state boards of pharmacy have instituted mandatory generic substitution laws, where pharmacists will substitute a generic, when available, for a brand-name medication. Some states require the patient's consent prior to substituting a generic for a brand. Depending on the state, a generic version of the prescribed drug may be dispensed automatically, only with your approval, or upon your request. Private and government insurance companies often promote the use of generic drugs whenever possible to lower costs. Doctor's are also more apt to prescribe generics because they want their patients to have drugs that are as safe and effective as branded medications, but are more affordable.

I've always received the generic version of my medication, so why did I get a brand?

Sometimes when a generic is introduced, it encourages price competition between the brand and the generic manufacturers, and occasionally the brand drug price is cheaper than the price of the generic. When this happens, insurance companies and health plans are able to share the savings with you by substituting a brand name drug for the same copay as the generic. Then, when circumstances and prices change, you're automatically switched back to the lower-cost generic.



How You Can Use Your Member Website

Looking for prescription drug information? MedImpact's Member Website provides comprehensive health and wellness information, including individual prescription benefit and drug coverage detail to help you understand your prescription benefit plan better.

- ✓ Obtain an overview of plan benefits and copay amounts
- ✓ Determine if prescribed medications are on the formulary/preferred list
- ✓ Locate a network pharmacy near work or home
- ✓ Print a tax report of prescription expenses
- ✓ Obtain drug price estimates and out-of-pocket costs
- ✓ View cost differentials and calculate potential savings with generic vs. brand
- ✓ Check the status of prior authorization requests

Prior Authorization Helps Manage Prescription Cost

What is medication prior authorization and why is it needed?

Your plan covers many medications that may be prescribed by your physician, but not all medications are automatically covered. Your plan includes a formulary or preferred medication list that contains commonly prescribed medications that are automatically covered when prescribed to you. If your doctor prescribes a medication that is not on the list, and there is not another medication on the list that is appropriate for you, the prior authorization process allows your physician to request coverage of the medication so you don't have to pay full price for the drug.

What other reasons would require my physician to use prior authorization?

Your pharmacy benefit determines the medications, dosage and quantities included on your preferred medication list. When your doctor writes a prescription that varies from what is normally covered (e.g., a larger quantity or dosage), it may be necessary for you to receive authorization prior to filling the prescription. If approved, this will allow your medication to be covered by your benefit. When your prescription reaches the pharmacy, the pharmacist will receive a message if prior authorization is required and will notify your doctor. Some medications, such as those used for cosmetic purposes, may be excluded from your pharmacy benefit coverage and may not be available even with a prior authorization. It is best to consult your plan information for details.

How long does prior authorization take?

Most prior authorization requests are handled within two business days. If the submitted request is incomplete, additional time may be needed so your physician can submit all the information required for a complete review of the request.

Step Therapy Promotes Clinically Appropriate, Cost-Effective Medications

What is generic first step therapy?

Step therapy is a clinical tool used in your prescription benefit to promote the use of safe, effective and clinically appropriate medications.

Generic first step therapy programs require patients to try a generic alternative medication that is safe and equally effective before a brand name medication is allowed to be paid through the patient's insurance. If a patient chooses the generic medication option, the patient may benefit by having a lower copay.

How does step therapy work?

When filling prescriptions for patients, the pharmacist runs the prescription through the system. If the patient history shows that the generic drug was previously dispensed, then the brand or higher cost medication can be dispensed.

However, if there is no record of a generic drug being dispensed previously, the patient must try the generic first or go through the prior authorization process, where the doctor submits a medication request form stating the reason why the patient must have the brand name drug filled at the pharmacy, without going through the step therapy process.

If a patient currently is taking the medication and has a history of compliance within the past four to six months, the patient will be "grandfathered" in to the medication and will not experience disruption. The length of compliance history for grandfathered medications depends on the medication's drug class.

Not all medications are included in the step therapy program. For specific information on your prescription benefit, please log into your member portal or ask your employee benefits administrator.

Facts about Generic Drugs," U.S. Food and Drug Administration, <http://www.fda.gov/drugs/resourcesforyou/consumers/buyingusingmedicinesafely/understandinggenericdrugs/ucm167991.htm>

"Generic Drugs: Questions and Answers," U.S. Food and Drug Administration, <http://www.fda.gov/drugs/resourcesforyou/consumers/questionsanswers/ucm100100.htm>

Peter R. Kongstvedt, Essentials of Managed Healthcare, 6th Edition, Jones & Bartlett Publishers, 2012, pg 267

"Generic Drugs: Same Medicine, Lower Cost," U.S. Food and Drug Administration, <http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm340343.htm>

About MedImpact

MedImpact is a pharmacy benefit manager who works with your health plan to get you the medication you need. Our goal is to make it as easy as possible for you by working with your health plan and pharmacy to provide timely and essential information about your medicine, including how to take it correctly, potential side effects, any lower-cost drug options, and more.

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