

Choices, choices, choices: The truth behind Generic and Brand name drugs

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The only significant difference between a brand-name drug and a generic drug is price. In fact, the use of generic drugs is a very valuable tool in helping reduce prescription drug costs without sacrificing quality. Generic drugs make good economic sense for JMH Health Plan members since generic drugs have the lowest copayment, depending on your benefit plan design. You get a therapeutically equivalent drug for less money and your employer may also realize a reduction in claim costs.

Brand-name drugs are more expensive than generics because manufacturers have spent years of research and clinical studies in developing new medications. As a result, drug manufacturers have to recover some of these research and development costs through drug pricing strategies. Since there are no drug price controls in USA, manufacturers can set the price of their drug at whatever level they want. However, once a patent on a brand name drug expires, generic manufacturers may produce an equivalent generic drug. Because generic drug manufacturers are not introducing a new drug, they avoid expenses associated with developing a new medication thus reflected in the lower price.

There are many misconceptions about generic drugs. Some believe that quality is related to costs, and a less expensive product is of lower quality. In the case of generic drugs, that is simply not true.

A generic drug can be produced once the brand name drug patent has expired. However, the Food and Drug Administration (FDA), must also approve all generic drugs before they can be sold. To gain approval by the FDA, a generic drug must:

- contain the same active ingredient(s) in the same amounts as the brand name drug.
- be identical to the brand name product in dosage form and in its administration. For example, if a brand name drug is a tablet by mouth, the generic must also be a tablet taken by mouth.
- have the same uses, cautions, warnings and product labeling as the brand name drug.
- have absorption rates that closely match the brand name product. The time it takes the body to absorb the generic drug and the amount absorbed in a given time interval must be nearly identical.
- meet batch consistency requirements for identity, strength, purity and quality. Each batch of the generic drug must be identical to the other batches of the generic and brand name product.

A generic drug must contain the same active ingredients in the same amounts as the brand-name drug. However, the inactive ingredients, as well as the color or shape of a generic drug, may be different from its brand name counterpart.

Individuals who experience a “reaction” to a particular generic drug may be allergic or sensitive to one of these inactive ingredients or dyes. Switching to another generic product from a different manufacturer relieves the problem in the majority of cases.