

## Mandatory Generic Medication Policy

According to the Food and Drug Administration (FDA), a generic drug is identical to the brand name medication. It is available in the same dosage form and has the same instructions for use, including the dosing frequency. The FDA regulates the approval of both brand name and generic medications, and provides oversight in order to ensure the quality of all medications used in the United States. The FDA tests generic medications to ensure that the same concentration of the active medication is delivered to the body between brand names and generics. They monitor the efficacy and safety of both products. If they find that the products are identical, they provide a specific rating for the drug which lets physicians, prescribers, pharmacists, and other health care providers know that the medications can be interchanged with confidence to achieve the same therapeutic effect.

If a brand name medication has is an FDA rated generic that is considered interchangeable for the brand name product, then, effective January 1, 2010, these brand names are not be covered by the Auburn University health insurance plan. If a patient chooses to take the brand name product, they will be required to pay a third tier co-pay (\$60.00) and pay the difference between how much AU must pay for the brand name versus the generic alternative. In summary, the amount that Auburn University pays will not exceed the usual and customary amount that AU would pay for the comparable generic, and the employee or dependent will be required to pay the difference.

### **Example:**

Let's look at a cholesterol lowering medication, simvastatin (Zocor®). This medication has an FDA rating that generic simvastatin can be interchanged for brand name Zocor®. The generic medication has the same patient benefits and side effects as the brand name product. A physician prescribes simvastatin 20 mg, one tablet taken every evening before bedtime. The physician authorizes generic substitution, but the patient does not like taking generic medications, and asks the pharmacists to fill the prescription with brand name Zocor®.

OLD BENEFIT		Benefit Until December 31, 2009	
		Patient's Out-of-Pocket Costs:	Covered Costs:
GENERIC	Generic <b>simvastatin 20 mg</b> (#90, 3 month supply)	\$20.00	\$0.00
	<b>Enrolled in TigerMeds:</b> Generic <b>simvastatin 20 mg</b> (#90, 3 month supply)	\$0.00 (no cost to employee)	\$15.00
BRAND	Brand name <b>Zocor® 40 mg</b> (#90, 3 month supply)	<b>\$100.00</b>	\$348.00

\*Approximate costs based on 2009 data

NEW BENEFIT		Effective January 1, 2010 Mandatory Generics	
		Patient's Out-of-Pocket Costs:	Covered Costs:
GENERIC	Generic <b>simvastatin 20 mg</b> (#90, 3 month supply)	\$20.00	\$0.00
	<b>Enrolled in TigerMeds:</b> Generic <b>simvastatin 20 mg</b> (#90, 3 month supply)	\$0.00 (no cost to employee)	\$15.00
BRAND	Brand name <b>Zocor® 20 mg</b> (#90, 3 month supply)	Co-Pay Plus Price Differential Between Brand and Generic: <b>\$448.00</b>	\$0.00

\*Approximate costs based on 2009 data

**Another Example:**

Let's look at another example. A patient has allergies, and has recently been experiencing a lot of sneezing, runny nose, and sinus congestion. Her physician prescribes a steroid nasal spray called fluticasone ( brand name is Flonase®), and tells the patient to administer 2 sprays per nostril every day. At the pharmacy, the patient requests brand name Flonase®. The pharmacist informs the patient that there is a generic of Flonase® available that is highly effective and has the same benefit and adverse effect profile of brand name Flonase®. However, the patient insists on receiving the brand name product.

<b>OLD BENEFIT</b>		<b>Benefit Until December 31, 2009</b>	
		<b>Patient's Out-of-Pocket Costs:</b>	<b>Covered Costs:</b>
<b>GENERIC</b>	Generic <b>fluticasone</b> (#1 bottle, 1 month supply)	\$10.00	\$30.00
	<b>Enrolled in TigerMeds:</b> Generic <b>fluticasone</b> (#1 bottle, 1 month supply)	\$0.00 (no cost to employee)	\$15.00
<b>BRAND</b>	Brand name <b>Flonase®</b> (#1 bottle, 1 month supply)	<b>\$50.00</b>	\$35.00

\*Approximate costs based on 2009 data

NEW BENEFIT		Effective January 1, 2010 Mandatory Generics	
		Patient's Out-of-Pocket Costs:	Covered Costs:
GENERIC	Generic <b>fluticasone</b> (#1 bottle, 1 month supply)	\$10.00	\$30.00
	<b>Enrolled in TigerMeds:</b> Generic <b>fluticasone</b> (#1 bottle, 1 month supply)	\$0.00 (no cost to employee)	\$15.00
BRAND	Brand name <b>Flonase®</b> (#1 bottle, 1 month supply)	Co-Pay Plus Price Differential Between Brand and Generic: <b>\$60.00</b>	\$25.00

\*Approximate costs based on 2009 data