

Mandatory Generic Drug Substitution

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What does Mandatory Generic Drug Substitution program mean?

Prescription drug prices are rising. In an effort to help control the cost increase in prescription drugs, many employers are adopting a mandatory generic prescription drug substitution program. This program will only cover the cost of the generic medication whenever it is available. If you, or your physician, choose to select the brand-name medication, you will be responsible for the difference between the brand-name medication and generic medication reimbursement rate for the network pharmacy. This amount is then added to your co-payment or co-insurance amount for that prescription medication. In many cases, this amount could exceed the cost of the brand-name medication co-payment. The average difference in cost between a generic medication and a brand-name medication is \$35 per one month's supply. The mandatory generic program applies to prescriptions in which the member has requested the brand (DAW 2) or prescriptions in which the member's physician requests the brand (DAW1).

What is a generic drug? Is it safe to take instead of the brand-name drug?

The term "generic" is usually used to describe a less-expensive product that is an imitation of a brand-name product. As a consumer, when you go to the store and purchase a generic version of a household product, the generic version implies that you are paying less for a lower quality product, thus sacrificing quality or effectiveness of the product to save money. The same IS NOT TRUE for generic medications.

Generic drugs offer an excellent value to the consumer because they are chemically identical to brand drugs but are priced at a fraction of the cost. The U.S. Food and Drug Administration (FDA) requires that generic drugs provide the same effectiveness and safety as their brand-name counterparts. Additionally, the FDA requires drug manufacturers to show that the generic version enters the bloodstream the same way, contains the same amount of active ingredient, comes in the same dosage form, and is taken the same way as the brand-name drug.

What if I request the brand-name medication when a generic medication is available?

You may still receive the brand-name medication if you or your physician request it; however, your co-payment or co-insurance will include additional charges known as ancillary charges. The ancillary charge is calculated as the difference between the brand-name medication and the generic medication reimbursement rate for the network pharmacy. This amount is then added to your co-payment or co-insurance amount for your prescription medication.

Are there any exceptions to the Mandatory Generic Drug program?

The following brand-name medications, which do have a generic available, may be utilized in the brand name form without the additional ancillary charges applied to the co-payment or co-insurance amount:

Coumadin [®]	Gengraf [®]	Sandimmune [®]
Synthroid [®]	Lanoxin [®]	Tegretol [®]
Dilantin [®]	Neoral [®]	Zarontin [®]

These exemptions are not meant to discourage generic prescribing. These drugs have been exempted from the mandatory generic program based on specific characteristics of the drug and/or disease state generally treated. Their exemption should not be considered an opinion on the bioequivalency of the generic versions.

What can I do to save money on my prescription drug co-payments?

Every time you get your prescription refilled or when you have a new prescription, ask your physician or pharmacist if there is a generic or lower cost alternative available for your medication. For many brand-name medications, these generic alternatives can save a substantial amount of money. In some cases, when there is not a generic available for your medication, your physician may be able to prescribe a different medication that is available generically that treats the same symptoms, disease, or medical condition. Always ask your physician or pharmacist if there is a lower cost alternative – doing so can save you a substantial amount of money.



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