

Introduction of Mandatory Generic Substitution FOR ALL MEMBERS WITH EXTENDED HEALTH CARE COVERAGE

Mandatory generic substitution helps manage plan costs by reimbursing the cost of your prescription drug up to the price of the lowest-priced alternative medication, which is typically a “generic” drug. If the drug you are prescribed is a “brand-name drug,” and there is no alternative or interchangeable drug, your plan will continue to reimburse your prescription based on the level of the brand-name drug.

What are Generic Drugs?

“Generic” is the term used to describe a drug product that is equivalent to a brand-name drug. Pharmaceutical manufacturers are allowed to produce and sell generic drugs after the patent on the brand-name drug has expired. Even then, Health Canada must approve the generic drug before it can go to market.

When applying to sell a generic equivalent of a brand-name drug, manufacturers must prove their product equals the brand-name drug. The active ingredients must be as pure. It has to dissolve in the same manner and it must be absorbed at the same rate as the brand-name drug. According to Health Canada, generic drugs have the same active ingredients and are identical to brand-name drugs in dose, strength and how they are taken. They are equally safe and effective.

The only difference in make-up is the inactive ingredients; the binders, fillers and dyes used to give the drugs their shape and colour. These differences have no effect on the drug’s active ingredients or how it works. Despite what you may think about some other generic products, **generic drugs are not lower quality than brand-name drugs.**

In fact, Health Canada requires drug manufacturers to perform tests, both during and after production, to show that every drug batch made meets their requirements for that product. Of course, one of the best things about generic drugs is the price – which is usually substantially lower than the brand-name drug.

When filling a prescription – speak up!

In many provinces, pharmacists will automatically dispense the generic alternative as part of their standard practice unless the prescribing doctor has indicated that “no substitutions” should be made.

If your physician has indicated “no substitution” you can ask your pharmacist to dispense the lowest cost alternative – or you can accept the brand-name drug, and pay the difference between the brand-name price and the lowest cost alternative.

Smart shopping

Mandatory generic substitution will work best if you are an informed consumer, just like shopping for anything. When your doctor prescribes a drug and your pharmacist fills the prescription, let them know that your plan will only reimburse the cost of the lowest priced alternative. This will provide you the best value for your dollar, while helping to manage the overall cost of your organization’s prescription drug benefit plan.