

****MANAGEMENT NEWSLETTER** Archives**

Below, a compilation of selected health-related articles from Gulfstream's Management Newsletter archives:

USING GENERIC DRUGS WILL SAVE MONEY

Employees are encouraged to work with their physician to determine if there are lower-cost generic substitutions or any brand-name drugs they are prescribed. The use of cost-effective generic drugs – which have the same amount of active ingredients and the same quality and strength as brand-name drugs – will lower drug costs for the employee and the company.

GENERIC VS BRAND-NAME PRESCRIPTION DRUGS:

“Generic” refers to drugs that are no longer protected by a single company's patent. Because one company no longer has exclusive rights to a particular drug, other companies can manufacture it. As the supply of that drug goes up, the cost comes down.

Generic medications are not inferior medications. To earn Federal Drug Administration (FDA) approval, a generic drug must deliver the same amount of active ingredients in the same amount of time as the brand-name drug. The FDA requires generic drugs to have the same quality, strength, purity and stability as the brand-name drug.

The reason the brand-name drug is more expensive is that during the time that the drug is protected by the patent, the company attempts to recover the drug's research, development and marketing costs by charging significantly more than the actual cost to manufacture the drug.

Ask your physician to prescribe lower-cost generic drugs whenever possible.

HIGH QUALITY GENERIC DRUGS ARE AVAILABLE AT LOWER COST (from Issue 22 dated Feb. 20, 2006) Allegra, Arava, Amaryl and Zithromax are four examples of drugs that recently lost patent protection and now have generic substitutes available at a much lower cost. Unlike some household cleaners and food, **generic medications are not inferior medications.** “Generic” drugs refer to drugs that are no longer protected by a single company's patent. Because one company no longer has a monopoly on a particular drug, other pharmaceutical companies can begin to manufacture it. As the supply of that drug goes up, the cost comes down. Ask your physician or pharmacist if lower-cost generic drugs can be substituted for any brand name drugs that you are prescribed. Employees can typically **save 30 percent to 75 percent by using generic**, rather than brand-name, drugs.

FDA REQUIRES SAME QUALITY, STRENGTH, PURITY FROM GENERIC DRUGS (from Issue 28 dated March 9, 2006) Employees should be more likely to use generic drugs when they know the following things about these lower-cost medications:

- To earn Federal Drug Administration (FDA) approval, a generic drug must deliver the same amount of active ingredients in the same time as the brand-name drug.
- The FDA requires generics to have the same quality, strength, purity and stability as the brand-name drug.

- The reason the brand-name drug is more expensive is that, during the time the drug is protected by the patent, the company attempts to recover the drug's research and development and marketing costs by charging significantly more than the actual cost to manufacture the drug.

Employees can typically **save 30 percent to 75 percent by using generic**, rather than brand name, drugs.

PRICE GAP BETWEEN GENERIC AND BRAND-NAME DRUGS WIDENS (from Issue 41 dated May 1, 2006):

The price difference between brand-name drugs and generic drugs widened last year – another good reason that employees should determine if a generic drug will work for them. The average manufacturer's price of brand-name drugs rose 6 percent in 2005 (versus a general inflation rate of 4 percent) – but, in contrast, the average manufacturer's list price for generic drugs fell 0.8 percent during that same period. Employees are encouraged to work with their doctors to determine if there is a suitable generic drug that could be substituted for any brand-name drug they currently are prescribed. Generic drugs, which are required by the Federal Drug Administration to have the same strength, quality and purity as brand-name drugs, can cost from 30 to 70 percent less than their brand name counterparts.
