

How to Save Big \$\$\$ on your Prescription Drugs

Your Board of Trustees wants to help you save money on your prescription drugs. In addition to saving you money directly, this will help us control the cost of your Health & Welfare plan. Please read the following information carefully to learn how you can save money on your prescription drugs.

What are my choices in prescription drugs?

Your co-payment for a prescription drug will depend on whether you purchase a generic drug, a brand-name formulary drug, or a brand-name non-formulary drug. As you might guess, the most inexpensive alternative is the generic brand drug. The most expensive alternative is the brand-name non-formulary drug.

What is a Formulary?

A drug formulary is a list of preferred drugs selected by a panel of physicians and pharmacists. The formulary includes all generic drugs and a select group of brand-name drugs. All drugs are evaluated and compared on effectiveness, safety and cost.

What is a generic drug?

Generic drugs have been approved by the Food and Drug Administration (FDA) as safe and effective. Generic drugs contain the same active ingredients in the same amounts as the brand-name product. The generic version works like the brand-name drug in dosage, strength, performance and use. Generics may differ in color, shape, size or flavoring from the brand-name product; however, these differences do not affect the performance, safety or effectiveness of the generic drug. They look different because trademark laws in the U.S. do not allow a generic drug to look exactly like other drugs already on the market.

What are the differences between brand-name and generic drugs?

When a company develops a new drug, the FDA provides a period of time where no other company may sell the drug to allow the original company to recover the investment in the research and development of the medication. This eliminates competition which causes the price to remain high. After this time has passed, other companies can manufacture generic versions of the brand medication. In about 50% of the cases, the brand-name firm begins to manufacture the generic themselves. Since the production of generic medications does not require the large investments in research, development and advertising, the cost of the generics are significantly less than that of the brand-name medication. Generally, the cost of generic medications is about half the cost of the brand products.

How does the FDA ensure that my generic drug is as safe and effective as the brand-name drug?

Regardless of whether drugs are brand-name or generic, all medications must meet the same FDA standards of quality. All generic drugs are put through a rigorous, multi-step process that includes review of the scientific data on the generic drug's ingredients and performance. The FDA also conducts periodic inspections of the manufacturing plant and monitors drug quality even after the generic drug has been approved. All drug manufacturing facilities must meet FDA's standards of good manufacturing practices. The FDA will not permit drugs to be made in substandard facilities. The FDA conducts about 3,500 inspections each year to ensure these standards are met.

What is the difference between a “formulary brand-name drug” and a “non-formulary brand-name drug?”

Usually, more than one drug is available to effectively treat a medical problem. A “formulary brand-name drug” is a brand-name drug that is on your formulary list. A “non-formulary brand-name drug” is a brand-name drug that is not on your formulary list. You can elect to take either brand-name drug, but you will pay more for a non-formulary brand-name drug.

What if I don't want to take a generic drug?

If it is important to you to have the brand-name drug, you should be aware that you will be required to pay a higher co-payment.

How do I save the most money?

When your doctor writes you a prescription, ask your doctor if a generic alternative is available and appropriate. If a generic is available and appropriate, ask your doctor to write the prescription for that generic drug.

If a generic drug is not available and appropriate, ask your doctor if any of our formulary listed brand-name drugs would be appropriate. (Our formulary list can be found at www.bcbsil.com.) If a formulary brand-name drug is appropriate, ask your doctor to write the prescription for that formulary brand-name drug.

Use the mail order feature of your drug card program for all drugs that you will be taking regularly (allergy medications, etc.), to save you money over time.

Brand-name Non-Formulary to Generic Pharmacy Example

If you are currently taking a:	If you switched to a:
Brand-name non-formulary drug and your co-payment is \$40 per month, your total cost is \$480 per year.	Generic Drug and your co-payment is \$10 per month, your total cost is \$120 per year.
You can save \$360 per year on just one prescription medication by switching to a generic drug (based on 12 prescriptions per year)	

Brand-name Non-Formulary to Brand-name Formulary Pharmacy Example

If you are currently taking a:	If you switched to a:
Brand-name non-formulary drug and your co-payment is \$40 per month, your total cost is \$480 per year.	Brand-name Formulary Drug and your co-payment is \$20 per month, your total cost is \$240 per year.
You can save \$240 per year on just one prescription medication by switching to a generic drug (based on 12 prescriptions per year)	

Brand-name Non-Formulary to Generic Pharmacy Example

If you are currently taking a:	If you switched to a:
Brand-name non-formulary drug and your co-payment is \$40 per month, your total cost is \$480 per year.	Generic Drug purchased via mail order and your co-payment is \$20 for a 3 month supply, your total cost is \$80 per year.
You can save \$400 per year on just one prescription medication by switching to a generic drug (based on 12 prescriptions per year)	

Brand-name Formulary Pharmacy to Brand-name Mail Order Example

If you are currently taking a:	If you switched to the same:
Brand-name formulary drug purchased at the pharmacy and your co-payment is \$20 per month, your total cost is \$240 per year.	Brand-name formulary but purchased via mail order and your co-payment is \$40 for a 3 month supply, your total cost is \$120 per year.
You can save \$120 per year on just one prescription medication by switching to mail order from pharmacy (based upon 12 months of prescriptions)	