Reduce Your Prescription Drug Costs

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Why Choose Generic Over Brand? Cost! When a pharmaceutical company first develops a new drug, it is sold under a brand name and covered under patent protection. This means that only the pharmaceutical company that holds the patent is allowed to manufacture, market and make money from the drug. The lifetime of a drug patent varies. Since pharmaceutical companies apply for a patent long before it has received FDA approval, the patent period usually expires after seven to 12 years.

Once the patent has expired, other pharmaceutical companies can make the drug as a generic. This encourages competition and results in a significant drop in drug costs—on average, 80% to 85% lower than the brand name. Generic drugs must also be approved by the FDA and have the same active ingredients as the brand name. Trademark laws don't allow generic drugs to look exactly like the brand name so colors, flavors, fillers and packaging may be different. Since the company making the generic did not have to develop the drug from scratch, the cost is much less to bring the generic to market.

What is the Generic Substitution Program?

Under the Generic Substitution Program of your plan, in addition to the deductible, coinsurance and/or copayment, you pay for the difference between the brand drug and generic drug price (when there is a generic drug alternative) unless your prescribing physician requests that the brand drug be dispensed.

What if a Generic is not Available?

Some drugs have therapeutic or formulary alternative drugs that are chemically different, but have similar therapeutic effects. Acetominophen and aspirin, for example, contain different active chemicals, but both are used for pain and fever. Therefore, they are considered therapeutic alternatives. Lialda, for example—has a few generic therapeutic equivalents such as Balsalazide Disodium Cap, Sulfasalazine Tab and Sulfazine Tab.

What Does "Brand Preferred and Brand Non-Preferred" Mean?

CVS/Caremark's Pharmacy and Therapeutics Committee, comprised of physicians and clinical pharmacists, reviews drugs in all therapeutic classes based on safety, effectiveness and cost. The result is a formulary of preferred drugs that has been proven to be safe, effective and favorably priced compared to other brand-name drugs that treat the same condition. Brand non-preferred drugs have not been found to have a significant therapeutic advantage over alternative generics or brand preferred drugs. CVS/Caremark evaluates new generics and brand-name drugs as they become available, or as discontinued drugs are removed from the marketplace, and then update the formulary accordingly. Your plan allows access to both brand preferred and brand non-preferred drugs, but you will pay more for the brand non-preferred drugs.

What are Specialty Drugs? Specialty medications, often known as biologics, are high-cost, innovative treatments which treat unique conditions for a small segment of the population, such as cancer, rheumatoid arthritis and multiple sclerosis. Specialty drugs typically cost the health plan anywhere from $2,000 to $30,000 per month. These drugs were not common in the past; however, they are now the focus of drug developers.

Did You Know?

Capital Blue Cross's member website provides you with tools to search for prescriptions, find generic equivalents, therapeutic alternatives and the price for each. This allows you to determine if there is a lower-cost alternative available for your condition. Talk to your doctor about alternatives and if they could work for you to save money for yourself and for your health plan!

How Can I Get the Most out of My Drug Plan?

1. Talk to your doctor before he or she prescribes a new drug for you. Ask about generics, generic therapeutic alternatives and even over-the-counter options such as Allegra, Claritin or Zyrtec for allergies. Once you have been on the new drug, have determined it works and expect to be taking it longer than three months; ask your doctor to write a prescription for mail service.

2. Store drugs properly. Don't keep your drugs in a steamy bathroom or a hot car. This could reduce the drug's potency.

3. Lose the spare tire. Obesity drives up medical costs and a lot of the extra expense comes from prescription drugs used to treat chronic conditions. Even a modest weight loss of 5% to 10% of total body weight could result in improvements in blood pressure, blood sugar and cholesterol. When your health improves, you may be able to cut back on your prescriptions or eliminate some.

4. Take advantage of discount programs such as $4 generics at local grocery stores or Kmart, Target or Walgreens prescription savings clubs. If the cost is lower than your copayment, you do not need to present your insurance card to the pharmacist.

5. If you take a brand drug, contact the manufacturer to find out if they offer any discounts or rebates.

6. Evaluate mail service vs. retail for maintenance medications. Often, costs through mail service are less for both your out-of-pocket cost as well as the cost to the health plan due to deeper discounts and the elimination of dispensing fees charged by retail pharmacies.

7. Utilize your Health Care FSA. Calculate your annual costs and set that amount aside each year during your annual open enrollment period and reap the tax savings. Another bonus, dollars in a Health Care FSA can be used immediately starting January 1.