



Generate Savings with Generics

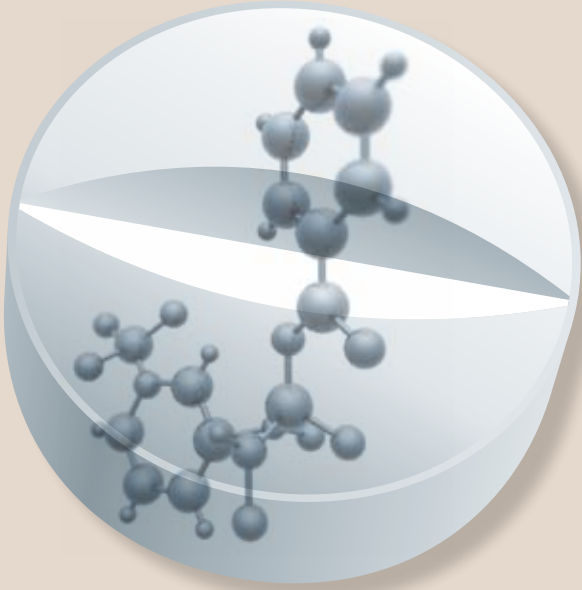


“Since MaxCare began working with us, they have been the driving force in consumer education resulting in greater generic usage by our members.”

– D. Herron, Chairman of Board of Directors,
State Government Entity

The use of generic medications instead of corresponding brand name drugs can yield dramatic cost savings for prescription plan sponsors. Here are the facts you need to know about generic drugs.

GENERIC DRUGS ARE SAFE AND EFFECTIVE



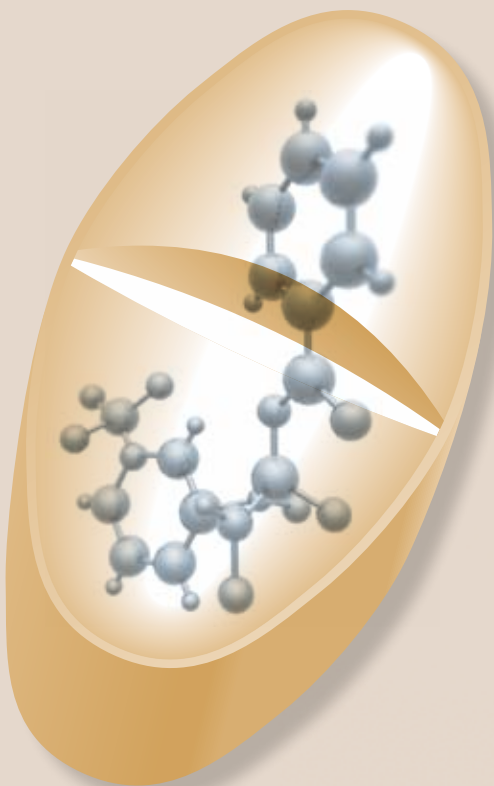
**Visibly different.
Chemically the same.**

Many people think that generic drugs don't work as well as their brand name equivalents. In fact, generic medications are closely monitored by the FDA to ensure that they are safe and work just as well as the brand name products.

- Generic drugs must be of the same strength and quality. The FDA monitors their safety, dosage, effectiveness, strength, and duration of action in the body.
- All generic manufacturing, packaging, and testing sites must pass the same quality standards as those of brand drug manufacturers, and the generic products must meet the same exacting specifications as any innovator brand name product. In fact, many generic drugs are made in the same manufacturing plants as innovator brand name drug products.

However, they do look different.

The manufacturer of a new brand name drug receives a patent on that medication for up to 20 years from the date of filing. Patents are granted by the patent and trademark office anywhere along the development lifeline of a drug and can encompass a wide range of claims. Due to U.S. trademark laws, manufacturers of generic drugs are required to make their medication look different from the name brand equivalent. While one pill may be white and the other blue, generics and brand name medications contain the same medication and perform in the same ways.



And they cost less.

Generic drugs cost less because their manufacturers did not invest in the initial research and development of the drug. Also, because multiple manufacturers produce and sell the drug, competition among them helps to keep prices lower.

The table below depicts several common brand drugs, their generic equivalents, and an approximate cost for a 30 day supply.

Brand Drug	30 Day Cost	Generic Equivalent	30 Day Cost	Dollars Saved
Zocor® 20mg	\$141.39	Simvastatin 20mg	\$9.49	\$131.90
Tenormin® 50mg	\$39.63	Atenolol 50mg	\$5.02	\$34.61
Ambien® 10mg	\$123.09	Zolpidem 10mg	\$22.05	\$101.04
Allegra® 180mg	\$59.51	Fexofenadine 180mg	\$39.27	\$20.24
Zoloft® 50mg	\$81.18	Sertraline 50mg	\$12.59	\$68.59
Prilosec® 20mg	\$131.01	Omeprazole 20mg	\$23.70	\$107.31
Norvasc® 10mg	\$66.25	Amlodipine 10mg	\$14.18	\$52.07

To illustrate the potential savings, let's use Prilosec 20mg and a quantity of 30, which is roughly a month's supply. The approximate drug cost for Prilosec 20mg is \$131.01 compared to the approximate drug cost for omeprazole of \$23.70. That's a savings of \$107.31 per 30 days, or nearly \$1,300 per year!

Clearly, working more generic medications into your plan's prescription mix yields significant savings with no trade off in the level of care.

MaxCare helps you maximize savings with generics.

MaxCare offers a pricing strategy that allows plan sponsors to take full advantage of lower cost generic drugs without compromising the level of care for the member. Our analysis shows that for every 1% increase in generic utilization our clients realize approximately 2% savings in total spend.

- Our flexible plan design options keep the plan sponsor in control over generating cost savings with generics.
- We identify relevant therapeutic categories where the use of generic alternatives can be maximized, and we keep clients up-to-date on the latest brand-name patent expirations.
- We can provide communication to members to educate them about the safety and efficacy of generic drugs.
- Lower generic co-pays encourage members to use generic medications.
- Step therapy programs ensure that lower cost treatments are tried before higher cost alternatives.
- Generic mandates or “member pay the difference” programs reward members who utilize generics when possible, while those who choose more expensive products pay more to offset the higher costs.
- Therapeutic substitution opportunities take advantage of generic availability in categories where there is no direct substitution of brand name drugs. This helps lower overall cost in the category as well as total cost.

The benefits are clear; using more generic drugs saves money for both plan sponsors and members!



THE BENEFITS ARE CLEAR

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