Generic Prescribing Program

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The Generic Prescribing Program (GPP) gives the member the choice of whether to select the brand name or generic medication. However, it is designed to encourage high quality care at lower cost by incenting the member to choose the less expensive generic medication whenever possible.

MSU is committed to maintain access to the highest quality drug therapies available, while providing members and their physicians with strong incentives to choose the least costly alternative to achieve the desirable result when several alternatives exist. When the least costly alternative is chosen, co-pays will remain the same as under the current structure. Members who choose a higher cost alternative, for which there is no evidence of a superior clinical outcome, will face higher payments.

There are two situations in which higher payments will apply. In both cases, the member would pay the generic and the difference between the costs of the generic and brand name medications:

1. **Generic equivalence**: A prescription is filled for a brand name drug for which a generic equivalent exists. A generic equivalent is a medication that must contain the identical amounts of the same active ingredients(s) as the brand name product. For example, Zocor® is a cholesterol lowering brand name prescription medication. The generic version of Zocor® is available under the scientific name, simvastatin. Under the Generic Prescribing Program, the physician would need to prescribe simvastatin in order for the member to pay the lowest co-pay.

2. **Therapeutic equivalence in the same therapeutic class**: A prescription is filled for a brand name drug for which a very close generic alternative exists. Some brand name drugs remain under patent protection (and therefore no exact generic equivalent exists), yet there is no evidence that they produce better outcomes than other very similar drugs that are available as generics. All of these similar drugs are in the same therapeutic class. For example, simvastatin has been shown to be as effective as other cholesterol lowering brand name medications in the same class, such as Lipitor®, Lescol®, Mevacor®, Pravachol®, Zocor®, and Crestor®. Instead of using a more expensive brand name medication in this class, the physician would need to prescribe a generic statin medication such as simvastatin, lovastatin or pravastatin in order for the member to pay the lowest co-pay and avoid paying the difference in cost between the generic (simvastatin) and the brand name medications.

Therapeutic classes to be covered by the Generic Prescribing Program include antidiabetics (excluding insulin), angiotensin-converting enzyme (ACE) inhibitors, antihypertensives, angiotensin receptor blockers (ARBs), bisphosphonates, diuretics, statins, nasal corticosteroid sprays, proton pump inhibitors (PPIs), antihistamines and sedative/hypnotic sleep aids.

A physician can request via an appeal process that the member take a brand medication. The physician must demonstrate medical necessity. There will be no cost to the member to appeal.

Medications that are excluded from the generic program are Premarin®, Lanoxin®, Dilantin®, Coumadin® and Synthroid®.
## Summary of the Generic Prescribing Program

<table>
<thead>
<tr>
<th>Medication Type</th>
<th>Retail Pharmacy 34 day supply</th>
<th>Caremark Mail Service 35 - 90 day supply</th>
<th>PLUS ADDITIONAL COST TO MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$10 OR $20</td>
<td>NONE</td>
<td></td>
</tr>
<tr>
<td>Brand Name on Caremark Drug Formulary when a generic medication is available</td>
<td>$10 OR $20</td>
<td>PLUS 100% of difference in cost between generic and brand name</td>
<td></td>
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<tr>
<td>Brand Name on Caremark Drug Formulary when NO generic medication is available</td>
<td>$20 OR $40</td>
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<td></td>
</tr>
<tr>
<td>Brand Name NOT on Caremark Drug Formulary when a generic medication is available</td>
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<td>PLUS 100% of difference in cost between generic and brand name</td>
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</tr>
<tr>
<td>Brand Name NOT on Caremark Drug Formulary when NO generic medication is available</td>
<td>$40 OR $80</td>
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</tr>
<tr>
<td>Bio-Tech Medication</td>
<td>$50 OR $100</td>
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</tbody>
</table>
Frequently Asked Questions

1) Why is MSU changing our prescription coverage to more strongly encourage use of generic medications whenever possible?
   - A generic medication is the same as a brand name medication in dosage, safety, strength, how it is taken, quality, performance, and intended use. Before approving a generic medication, the U.S. Food and Drug Administration (FDA) requires many rigorous tests and procedures to assure that the generic medication can be substituted for the brand name medication. By law, a generic medication must contain the identical amounts of the same active ingredient(s) as the brand name product. Generic medications usually cost substantially less than the brand name counterpart.
   - For therapeutic classes included in the Generic Prescribing Program, generic medications that are in the same class but are not identical to the brand name medication have not been shown to be any less effective than their brand name counterparts.

2) What is the savings to MSU by making this change?
   - The estimated savings to the MSU health plan is over $3.5 million. Saving money on the health plan allows the University to spend that money on other priorities.

3) When will this change take effect?
   - You should talk to your physician at your next regularly scheduled visit to switch to the use of a generic medication. You should request generic medications for any new prescriptions. The changeover to this program must be completed by March 1, 2010.

4) What if I am currently taking a brand name maintenance medication that has a generic available and would be covered by the Generic Prescribing Program?
   - To pay the lowest cost, you need to discuss substituting a less expensive generic medication with your prescribing healthcare provider prior to March 1, 2010.

5) What if I choose to keep taking the brand name medication?
   - You may choose to continue to take a brand name medication if desired. However, you will have higher (and potentially much higher) out-of-pocket costs, including:
     i. A co-pay; as well as
     ii. A “surcharge” representing the difference in cost between the generic medication and the brand name medication.

6) Can you give me an example of how this program would work?
   - Zocor® is a brand name medication to lower cholesterol. Simvastatin is the generic for Zocor®. If the program had been in effect in July, 2009, and you had a 30 day supply of
Zocor® instead of simvastatin, you would have paid $90.23 versus the $10 for simvastatin. The $90.23 is the difference in cost between Zocor® and simvastatin plus the $10 co-pay.

- Lipitor® is a brand name medication to lower cholesterol that is in the “statin” therapeutic class. There is no evidence that shows that the generic drug simvastatin is any less effective than Lipitor® even though it is not a direct generic equivalent. If the program had been in effect in July, 2009, and you had a 30 day supply of Lipitor® instead of simvastatin, you would have paid $59.15 versus the $10 for simvastatin. The $59.15 is the difference in cost between Lipitor® and simvastatin plus the $10 co-pay.

7) What if my physician wants me to continue taking a brand medication?
   - Your physician may file for an appeal and must demonstrate that it is a medical necessity. If the appeal is denied, you can still choose the brand name medication but you will have to pay more for it.

8) Who pays for the appeal?
   - The appeal will be charged to the MSU prescription plan, not the member or physician.

9) Why is there a fee for the appeal?
   - The fee covers the administrative cost to run the appeals process as well as the time to investigate the appeal.

10) What happens if the appeal is approved?
    - If the appeal is approved, your pharmacy coverage for that medication will be covered exactly as it is today.

11) Will I be required to change from the pharmacy I currently use?
    - No.

12) What happens if there is not a generic equivalent for my medication in that therapeutic class?
    - Your pharmacy coverage for that medication will be covered exactly as it is today.

13) Is it up to me to remind my physician every visit that I need a generic medication?
    - Yes. You should always ask your physician if a generic alternative is available. Remember that your patented brand name drug today may be available as a generic tomorrow.

14) What happens if I go to fill my prescription at the pharmacy and they charge me a higher fee because there is a generic available?
    - You can ask your pharmacist to call your physician and ask if they can substitute the generic medication. If not, you can choose to purchase the brand name prescription, or refuse the prescription and call your physician to ask if they can send a prescription to your pharmacy for a generic version of the medication.

15) Is it really true that all medicines in a drug class work the same?
In the vast majority of cases, a generic medication in the same drug class produces the same benefits as a brand name medication. If for some reason this is not the case, the appeals process is in place.