



Your Guide to Generic Medication

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Prescription medications can be literal lifesavers and are important aspects of health care. But even with insurance, these medications can be expensive. There are many people, insured and uninsured, who struggle to afford prescriptions. This can present difficult choices and potentially discourage following treatment. One easy choice is asking about generic medications. In most cases, they work just as well as brand-name drugs and will likely save you significant money. A couple questions, some insurance knowledge and a little research can make a big difference for your health and budget.

Asking your doctor about generic medication

I learned the value of asking questions first-hand during one doctor's appointment. After the exam, he prescribed a brand-name medication, and I felt like he was heading out the door as soon as he tore the sheet off the pad. I had recently switched to a consumer-driven health plan with a health savings account. Knowing that more of this cost would be coming out of my pocket until I met the deductible, I wanted to understand all my options related to the drugs I'm taking and their costs.

It was important for me to know the available alternatives and which options were covered by my insurance. I asked about the brand-name medication and if there were any alternatives. Casually, he told me that yes, there were several, in fact. He took the time to talk through the options with me which included different medications to treat the same condition, and some of these also had generics available. With my insurance plan, as well as most plans, the generic was by far the cheapest option. My doctor assured me that cheap didn't mean inferior.

What are generic medications?

All over-the-counter and prescription medications are approved by the U.S. Food and Drug Administration (FDA) for safety and effectiveness. This includes generics, which must meet all the same standards as their brand-name counterparts. The FDA considers approved generics to be clinically equal substitutes. For consumers, the advantage of generics comes from the, often substantially, lower cost.

The FDA estimates that generic medications cost about 85% less.

These savings come from how generics are developed and approved compared to brand-name medication. The work to develop, test and secure approval for new drugs leads to higher prices. Newly approved drugs are marketed under consumer-friendly brand names and have an exclusivity period when there are no generics. The FDA can only approve the generic version after both patent and other periods of exclusivity end.

Since generic medications are based on an existing product, they can pursue an abbreviated approval process. This means that they don't have to repeat the costly clinical trials that demonstrated the drug's safety and effectiveness. There can be multiple generic companies approved to produce the same product, and this competition also drives down prices.¹

¹ [U.S. Food and Drug Administration](#), "Generic Drug Facts"

Considering generic medication

In most cases, generic medication can be substituted for the brand-name version. Use the FDA's [database](#) of approved drugs to find out if your medication has any generic versions. Of course, talk to your doctor or pharmacist if you have any specific questions about your treatment or medication.

Not all drugs have generic versions. As mentioned, if the brand-name medicine is still within the period of exclusivity, a generic may not be available. This timing varies for each drug and allows pharmaceutical companies to recover their costs from the research and development.²

Finally, check your health insurance plan details to see how your medications are covered. Carriers and plans cover different drugs at different levels or divide them into tiers of coverage. They may even prefer one brand-name drug over another for a given medical condition. However, generic drugs will almost always be the cheapest option. This could be the difference between a small \$10 copay and coinsurance that could cost you hundreds or even thousands of dollars more over the course of a year ([learn about copays, coinsurance, and more](#)).

Asking the right questions

This experience made me a [better healthcare consumer](#) and more benefits literate. I got to see the ways my doctor's advice, my health insurance and my prescriptions interacted and the tangible benefits of taking a more active role in my health care. If you don't ask, you won't know, and this goes for any aspect of health care, from treatment options to coverage to claims.

Navigating the healthcare and insurance systems, and the often-confounding ways they intersect is not always easy. I work for an insurance broker, and I still have questions about my insurance. If I can't answer them with my own research, I know I have an employee advocacy team to back me up.

Before you fill that next prescription, flex your insurance knowledge, ask some questions and see if generic medication is an option. Had I not asked, I would not have known my options, and as it turned out, the generic alternative works well for me and saves me money.

² [U.S. Food and Drug Administration](#), "Generic Drug Facts"