



# MCPHS

*pharmacy outreach program*

## **Brand Names “Going Generic” Does Not Mean Immediate Cost Savings**

Several brand name medications are proposed to go generic within the next year. This will help lower drug costs for many individuals taking these medications. Generic drugs can provide a savings of about 30-80% on the cost of a prescription, when compared to brand name medication costs.<sup>1</sup> This cost savings sounds great, especially since the cost of brand name prescription drugs can be financially difficult for many. However, one should be aware that just because a drug is “going generic” it doesn’t mean that this cost savings will be effective immediately.

Once a pharmaceutical manufacturer patent expires, the drug essentially can be marketed by other companies for much lower costs. However, the low drug prices and lower co-pays may not be experienced until six months after the generic drug is released. This can be explained through the Hatch-Waxman Act. This act states that only the first company that submits its application to market the generic drug will be allowed a six month period of market exclusivity, meaning that it is the only company allowed to market that generic for a six month time period.<sup>2</sup>

Another possible scenario responsible for this initial higher generic drug cost is that brand-name drug manufacturers may market an “authorized generic” drug. An authorized generic, also known as an “authorized copy” or “brand-in-bottle”, may be marketed by the brand company, through a subsidiary, or the brand company may license the drug product to another company for marketing in return for a percentage of the sales.<sup>2</sup>

So then what does this all mean? This means that when a generic is first released to market it will be less expensive than the brand name, however, it may not be as low as expected during the first six months of its release. After the first six months other companies may then begin marketing the generic drug as well, inducing competition. This is when you will truly see the lower cost of the drug.

Some of the brand name drugs that are expected to be marketed as generics within the following year and their expected release dates are found in following table.<sup>3</sup>

For any questions, please contact the MCPHS Pharmacy Outreach Program at  
1-866-633-1617.



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Brand Name	Generic Name	Expected Release Date:
Zyprexa®	olanzapine	October 2011
Lipitor®	atorvastatin	November 2011
Caduet®	amlodipine/atorvastatin	November 2011
Combivir®	lamivudine/zidovudine	December 2011
Lexapro®	escitalopram	March 2012
Seroquel®	quetiapine	March 2012
Avapro®	irbesartan	March 2012
Provigil®	modafinil	April 2012
Plavix®	clopidogrel	May 2012
Tricor®	fenofibrate	July 2012
Singulair®	montelukast	August 2012
Actos®	pioglitazone	August 2012
Diovan® and Diovan HCT®	valsartan and valsartan/hydrochlorothiazide	September 2012
Lidoderm®	lidocaine	November 2012
Atacand® and Atacand HCT® (16/12.5 and 32/12.5 strengths)	candesartan and candesartan/hydrochlorothiazide	December 2012

References:

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2. Banait, Narinder. Authorized Generics: Antitrust Issues and The Hatch-Waxman. [http://www.fenwick.com/docstore/publications/ip/authorized\\_generics.pdf](http://www.fenwick.com/docstore/publications/ip/authorized_generics.pdf) Updated 2005. Assessed Aug 1, 2011
3. Bihari, Michael. Generic Drugs - Save Money with Generic Drugs. [http://healthinsurance.about.com/od/prescriptiondrugs/a/save\\_money\\_with\\_generics.htm](http://healthinsurance.about.com/od/prescriptiondrugs/a/save_money_with_generics.htm) Updated Feb 25, 2011. Accessed Aug 1, 2011.

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