Name-brand prescription drugs vs. generic: What's the difference?[1]

The CU Health Plan is committed to helping members and their families make informed decisions about their health care. The rising cost of prescription drugs in recent years has been a topic of conversation for many people nationwide. Understandably so, as a recent RAND Corporation study[2] indicates prescription drug prices in the U.S. are an average of 2.5 times higher than other Western countries.

Rising costs of prescription drugs affect administration of the CU health plans, as well. The premium budget for CU health plans has increased by $19.1 million over the last three years.

With such a significant cost burden, considering a switch to generic drugs over brand-name drugs could help manage your and your family's health care spending. Not only do generic drugs save you money, they also save the CU health plans money.

There are many common misconceptions about generic drugs that may sway consumer opinions in favor of brand-name drugs instead. Debunking these misconceptions can help to reveal true benefits of opting for generic drugs over brand-name alternatives.

It's likely that many people have experienced a generic drug substitute for a brand-name drug whether or not they were aware of it. Take, for instance, something as common as an acute seasonal sinus infection. You and your doctor discuss a Zithromax – commonly known as a "Z-Pak" – prescription at your appointment. When you visit your pharmacy to pick up your prescription, you come to find the name of your medication instead to be azithromycin tablets, a generic alternative to the brand-name Zithromax. No need to worry – a generic drug is an exact chemical copy of the active drug in a brand-name medication, and you've likely just filled your prescription for a lower cost than the brand-name, too.

The CU Health Plan spoke with Gina Moore, PharmD, MBA, Associate Dean and Associate Professor at the University of Colorado Skaggs School of Pharmacy, to examine misconceptions about the pharmacological efficacy and cost-savings of generic drugs in comparison to their brand-name counterparts.

Misconception No. 1: Brand-name = better medication

"When people hear the word 'generic,' they may think the drug does not equate to its brand-name counterpart in terms of effectiveness. However, this is not the case," Moore said. "The United States Food and Drug Administration (FDA) requires generic drugs to meet rigorous review standards and act in the same way in the body as the brand-name drug."

Generic drugs are carefully created to the same quality, safety and effectiveness as their brand-name alternative. Because generic drugs contain the same active ingredients as the brand-name, generic drugs work the same way in the body, and they have the same quality, strength, dosage form, intended use, route of administration, and clinical benefit as the brand drug.

"There may be some slight differences in inactive ingredients, but the active ingredient is exactly the same," Moore said.

Misconception No. 2: Generic and brand-name drug cost really isn't that different.

The most significant advantage of using generic prescription drugs is cost savings. Generic lower-cost prescriptions can save members up to 85% of the cost of the brand-name drug. When you consider if any of your prescriptions are recurring maintenance drugs, that's supplemental savings each time you refill your medication.

ADHD medication demonstrates an example of the cost savings in switching to generic prescriptions. The cost for a 30-day supply of Adderall XR 15mg is $206, while the generic equivalent is $71.

Moore confirms opting for generic drugs benefits individuals and helps mitigate health care costs for our greater CU

community as a whole.

“Choosing generic not only helps you as an individual plan member, but helps CU keeps costs of the health plan drug benefit as low as possible,” she said.

Misconception No. 3: The lower cost for generic drugs indicates lower-efficacy medication.

Many misconceptions of generic drugs stem from their lower cost. Generic drugs are priced lower than brand-name drugs because generic drug manufacturers are usually not the ones who developed, tested and marketed the drug.

Once a drug’s patent expires, generic manufacturers may submit an abbreviated new drug application to the FDA for approval. When submitting the application, generic manufacturers also submit data to show their version of the drug is equivalent to the brand-name drug. Once several manufacturers have a generic version of a particular drug on the market, competition results in lower prices.

“As for the efficacy of generic drugs,” Moore said, “a large research study that compared generics with brand-name medicines demonstrated very small differences (3% to 5%) in absorption between the generic and brand-name drugs,” meaning some generics were absorbed slightly less and some slightly more than their brand-name equivalent. The variation also occurs between batches of a drug, whether it is a brand-name or competitor.

“This is expected and considered clinically acceptable,” Moore said. “All drug manufacturers are regularly inspected by the FDA and their manufacturing records closely evaluated.”

Moore said people may not realize that brand-name manufacturers often sell or relabel the brand-name product as a generic. CU Health Plan members may always consult with their physician or pharmacist for additional information.

Moore said there are just a few instances where use of a generic drug, or switching from one manufacturer to another, is not advisable. Establish a best practice of consulting with your physician first regarding questions and concerns about changes to your prescription.

“With most drugs, a 3% to 5% difference in absorption makes absolutely no difference, but there are certain drugs and disease states in which the amount of a drug is carefully adjusted to the desired therapeutic effect,” she said. “These drugs are referred to as having a narrow therapeutic index[3] and tiny differences may result in the drug therapy not being effective or causing side effects or toxicity.”

Examples of these drugs include warfarin (a drug thinner) and thyroid replacement hormones.

“It’s generally advised to stick with one manufacturer and not switch between brands when an individual is stabilized on therapy in those specific conditions,” Moore said. “Because there are numerous generic manufacturers, sticking with the brand-name is preferred.”

So, what does this mean for CU Health Plan members? All CU Health Plan members can benefit from cost savings by switching to generic drugs when available. Based on the plan’s higher member out-of-pocket costs, members of the ‘CU Health Plan-High Deductible’ may experience the most immediate cost savings by switching to generic, because these plan members will pay less each time they pay for their prescription.

For members of the Exclusive or Extended plan, the copay for a brand-name drug may be $20 higher than its generic equivalent ($35 brand-name copay vs. $15 generic copay for a 30-day supply), but the additional copay is not representative of the total additional cost. Here, the excess cost is reflected in the premiums paid by CU and plan participants.

As costs continue to fluctuate in correlation with a dynamic health care landscape, CU Health Plan members may find switching to generic drugs an easy and effective way to help mitigate their family’s health care spending. Members are encouraged to talk with their providers about their generic medication options and any questions they may have about making the switch to generic over brand-name drugs.

The CU Health Plan is a team of health benefits professionals rallied around a common vision – creating a world where living healthily is easy. We want to live in that world and our plan members tell us they do, too. We use that shared vision as motivation to constantly improve the health insurance plans and wellness programs we offer to employees at the organizations we work with. The CU Health Plan team promotes the overall wellbeing of our members by expanding employers' ability to deliver valued, holistic health benefits and mitigate the rising cost of health care. For more information, visit www.becolorado.org[4].

Saliman announces two key hires in system administration leadership[5]

CU President Todd Saliman has named a pair of Coloradans to serve in key leadership positions on his executive staff in system administration.

Saliman named Judi Diaz Bonacquisti, Ed.D., senior diversity officer, and Chad Marturano as vice president and chief financial officer for the CU system. Both were born and raised in Colorado and have deep experience in higher education.

"Having Judi and Chad in these key positions is critical as we support our campuses, their students, faculty and staffs," Saliman said. "They will also allow us to make progress on some of our key strategic imperatives."

Diaz Bonacquisti has more than two decades' experience in public and private colleges and universities and a track record for advancing equity in education, particularly for students of color, first-generation students, and those from low-income families. She will begin her work at CU on Oct. 1.

In her role as senior diversity officer, Diaz Bonacquisti will collaborate with CU campus colleagues to support initiatives that advance the diversity pillar of CU's systemwide strategic plan, as well as campus strategic plans. She will advise the president and other leadership on issues of diversity, equity and inclusion and will work to help CU system administration to diversify its workforce and support a culture of belonging. She will report to Saliman and serve on his executive team.

"Judi is a leader who has made a substantial difference in every organization she has been part of," Saliman said.

The CU Board of Regents, in its Principles of Ethical Behavior, Guiding Principles and Non-Discrimination policy, defines diversity broadly to include: race, national origin, pregnancy status, age, disability, religious affiliation, sexual orientation, gender identity, gender expression, veteran status, political affiliation and philosophy, geography and culture.

Diaz Bonacquisti now serves as executive director of the Latinas First Foundation, which focuses on the cultural and historical contributions of Latinas to Colorado. The organization also provides scholarships, mentorships and networking opportunities to help foster a new generation of professional Latinas. She previously served as associate vice president for enrollment services at Regis University. Before that, she was vice president for enrollment administration and student success at Community College of Denver. She also served as associate vice president for enrollment services at Metropolitan State University of Denver, as well as director of the Minority Engineering Program at the Colorado School of Mines.

"I'm excited to join the CU team to help advance a priority that the university's leadership has stated clearly and consistently is one of the most important challenges and opportunities facing the University of Colorado," Diaz Bonacquisti said. "I look forward to working with President Saliman, the Board of Regents and my campus colleagues to further student success and a diverse, inclusive workforce.

"CU is at a critical moment in its history and I am keenly aware of the challenge of embedding diversity and inclusion

into all aspects of the university's work and culture."

She earned two degrees from CU, a doctor of education from CU Denver and a master's in business administration from CU Colorado Springs. She earned a bachelor's degree in civil engineering from Colorado State University.

Marturano, who has worked at CU for more than eight years, has served as senior associate vice president for business operations and acting chief financial officer since July 2021. He has held progressively more responsible financial positions since joining the university in 2014, including senior associate vice president for business operations and deputy CFO, and assistant vice president for budget and finance.

"Chad has a strong understanding and a great depth of knowledge about CU's budget and finances," Saliman said. "He also has significant experience and expertise at several levels of financing public education in Colorado that has prepared him extremely well for this role.

"I'm grateful for his leadership and advocacy, not just on behalf of CU, but for all of Colorado higher education."

Marturano's duties will include providing budget and financial advice to Saliman and the Board of Regents, collaborating with campus CFOs and their teams, managing the team in the Budget and Finance division in CU's system administration, and serving as administrative lead on the CU Board of Regents' Finance Committee. The position is a member of the president's executive team.

Before his work at CU, Marturano served as director of legislative affairs at the Colorado Department of Higher Education. Before that, he was principal consultant in the Colorado Department of Education's Public School Finance Unit. He also served as a senior management and budget analyst in the Office of State Planning and Budgeting in the administration of former Gov. Bill Ritter.

"I'm honored and humbled to be selected for this position and I am looking forward to continuing my work with university leadership and my campus colleagues to ensure that CU remains fiscally strong," Marturano said. "Our work plays an important role in supporting academic success and research excellence at CU."

Marturano earned a bachelor's degree in economics from Colorado State University and a master's degree in political science from the University of Colorado Denver.

Capps joins CU as chief information security officer[6]

The University of Colorado today named David Capps chief information security officer (CISO) for CU system administration as part of the university's ongoing effort to support and increase CU's overall security posture.

Capps comes to CU after 10 years at the Federal Reserve Bank of New York, where he served as vice president – director of technology and risk compliance. Previously, he worked at Fordham University as director of IT planning and strategy.

Capps begins his new role Tuesday. He will oversee the reporting and implementation of technology risk, controls and compliance testing. He will report to CU system Associate Vice President and Chief Information Officer Scott Munson.

"I'm excited to join CU and learn more about the security environment here," Capps said. "Each campus has unique needs. I see the CISO role as being a trusted partner — meaning first, we have to understand the needs of each campus and its priorities, how security impacts them, and how we can support them as a partner."

Dan Jones, who served as the CU system administration CISO for more than 10 years while also serving on the CU

Boulder campus, will continue as the associate vice chancellor for integrity, safety and compliance at CU Boulder. He will assist with the transition to Capps.

“Dan has been an incredible partner to all campuses and system over the years and I cannot thank him enough for his leadership and support,” Munson said. “I’m also looking forward to David joining our team and enhancing our information security efforts.”

CU President Todd Saliman said he and campus leadership are excited to support the investment CU is making in cybersecurity.

“Our focus on aligning and strengthening cybersecurity across CU is a priority that is essential to the university’s future,” Saliman said. “Information security is critical at CU and we’re happy to have someone with David’s experience and expertise as part of our team.”

Capps earned a bachelor’s degree and a master’s degree in Computer Information Systems from Missouri State University and an EdD in Organizational Leadership from Vanderbilt University.

Students energize campuses for fall move-in days[7]

Students at three of the University of Colorado campuses last week helped energize their communities as residence halls opened their doors for move-in days.

Students arriving for the fall semester with family and friends lending a hand also were met by members of their campus communities volunteering to help. President Todd Saliman visited the three campuses – CU Boulder, UCCS and CU Denver – during the week to meet and greet new students. Chancellors Phil DiStefano (CU Boulder), Michelle Marks (CU Denver) and Venkat Reddy (UCCS) also took part in the welcoming on their campuses.
[8]

Click here[9] for more on fall move-in at CU Denver.
[10]

Click here[11] for more from UCCS.
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Click here[13] for scenes from CU Boulder’s fall move-in.

Center for Asian Studies wins $2.2 million to help ‘make Asia accessible’ for Coloradans[14]

PGA Golf Management celebrates 20 years[15]

CU Denver turns 50[16]

Why Is CAR T-cell therapy ‘one of the most phenomenal advances in science’?[17]

Haggerty named CU Boulder chief financial officer[18]

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'It could help bond all sports:' UCCS rolls out new program to help student athletes with their mental health[22]

CU Boulder space instrument to help determine whether Jupiter’s moon has conditions suitable for life[23]

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[1] https://connections.cu.edu/spotlights/name-brand-prescription-drugs-vs-generic-what-s-difference[2] https://www.rand.org/pubs/research_reports/RR2956.html[3] https://www.fda.gov/industry/generic-drug-user-fee-amendments/fy2015-regulatory-science-research-report-narrow-therapeutic-index-drugs#:~:text=Narrow%20therapeutic%20index%20drugs%20are,or%20significant%20disability%20or%20incapacity.[4] http://www.becolorado.org[5] https://connections.cu.edu/stories/saliman-announces-two-key-hires-system-administration-leadership[6] https://connections.cu.edu/stories/capps-joins-cu-chief-information-security-officer[7] https://connections.cu.edu/stories/students-energize-campuses-fall-move-days[8] https://connections.cu.edu/sites/default/files/move-in-galleries_ucd.jpg[9] https://www.facebook.com/media/set/?vanity=UCDenver&set=a.456724249817726[10] https://connections.cu.edu/sites/default/files/move-in-galleries_uccs.jpg[11] https://communique.uccs.edu/?p=141287[12] https://connections.cu.edu/sites/default/files/move-in-galleries_ucb.jpg[13] https://www.colorado.edu/today/week-photos-students-descend-campus-year[14] https://connections.cu.edu/stories/center-asian-studies-wins-22-million-help-make-asia-accessible-coloradans[15] https://connections.cu.edu/stories/pga-golf-management-celebrates-20-years[16] https://connections.cu.edu/stories/cu-

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