Drug savings ahead as more turn generic
Prices to fall for about 100 over 5 years

BY TOBY MANTHEY LITTLE ROCK — Arrival dates

Dozens of best-selling drugs are expected to have generic competitors in the next few years. Here are the 20 topselling drugs going generic through the second quarter of 2018, listed by the

Drug 2009 retail sales (in billions) Expected generic date


SOURCE: Medco Health Solutions Inc. Arkansas Democrat-Gazette

Consumers stand to save millions of dollars in the next several years as dozens of popular prescription drugs are scheduled to fall off a “patent cliff” and see generic competition.

“I’ll compare it to what I would call the first generic wave of around 1999” through the early 2000s, said Dr. Glen Stettin, chief medical officer for Medco Health Solutions Inc., a pharmacy benefits manager. “This generic wave is the tidal wave,” he said.

Stettin said the earlier wave represented drugs that generated tens of billions in U.S. sales each year. The current wave, which started around 2009 and will last about a decade, includes drugs representing more than $100 billion in annual sales.

What’s more, unlike the earlier wave, the drugs now gaining generic forms are maintenance medications that must be taken every day, rather than short-term drugs such as a painkiller for a sprained ankle or an antibiotic for an ear infection.

“People who need to use prescription drugs for common, chronic conditions — high blood pressure, diabetes, high cholesterol, asthma, depression — these consumers are going to save big,” Stettin said.

Facing generic competition within the next several years are Lipitor, the cholesterol drug; Plavix, used in coronary artery and other diseases; Singulair, an asthma and allergies drug; Cymbalta, a drug for depression; and Nexium, which is used for heartburn.

About 100 drugs are to go generic in the next five years. Litigation, additional patents and other factors may change the dates, a Medco report said.

A list of drugs going generic is available at www.medco.com/art/corporate/anticipatedfirsttime_generics.pdf.

Generic drugs usually cost 20 percent to 80 percent less than brand-name equivalents, The Associated Press reported, although experts note savings are often less in the initial six months, when just a single company may be authorized to sell a generic version.
In the United States, generics accounted for about 78 percent of prescriptions last year, up 4 percent from 2009, according to a report from Parsippany, N.J.-based IMS Institute for Healthcare Informatics.

The Drug Price Competition and Patent Term Restoration Act of 1984 opened the floodgates for generic drugs by standardizing the patent expiration procedure.

Within six months of patent expiration, the generic form of a drug typically is used by patients 80 percent of the time, the report said.

Use of generics is helping to slow the growth of U.S. drug costs.

Increasing use of generics helped to hold the rise of drug costs to consumers to 2.3 percent last year, when spending totaled $307 billion nationwide, compared with a 5.1 percent jump in 2009, the institute said. The average copayment dropped to $10.73 last year, down about 2 percent from 2009, it said.

Insurers use several approaches to encourage generic use, including sending notices to physicians and patients as soon as a generic alternative is on the market and charging lower co-pays for generic drugs. Patients in high-deductible plans who haven’t met their deductible also will gravitate toward generics because of the lower cost.

“Generally speaking, the co-pay differential takes care of a lot of it,” said Barry Fielder, vice president of pharmacy at Little Rock-based health insurer QualChoice. “It may be the difference between $40 or $50 [co-pay] for a brand name for a 30-day supply. For the generic it may be $10.”

Besides saving money for consumers and insurers, the lower price of generics can help patients stick with medications better, particularly those like diabetics whose costs pile up with multiple prescriptions.

Dr. Brian Solow, chief medical officer for Prescription Solutions by OptumRx, a pharmacy benefits manager that is part of UnitedHealth Group, said his company also may require “step therapy,” where a patient must try a generic version before gaining approval to use a brand name. In addition, the most expensive brand-name drugs with generic equivalents available can require prior authorization, where a physician must call, fax or request online a brand-name drug for a patient.

Despite their efficacy and safety, Solow said many patients are wary of using generic drugs. A 2009 survey by his company found that one-third of Americans didn’t know or believe that generic drugs offer the same active ingredients and effectiveness as brand-name equivalents. The Food and Drug Administration describes generics as “copies of brand name drugs and are the same as those brand-name drugs in dosage form, safety, strength, route of administration, quality, performance characteristics and intended use.”

Mark Riley, executive vice president for the Arkansas Pharmacists Association, said the generic drugs may ultimately lower inventory costs for his members.

However, Riley said it’s not clear whether pharmacists will earn more with generics.

“[Pharmacists] pay bills with dollars, not percentages,” he said. “If you have a really low-cost generic drug and it costs $1 and you sold it for $4, somebody could make the argument that you made 300 percent. But you only made $3.

“You might have a brand name drug that costs $200, and you only made 10 percent on it, but ... you’ve made $20,” Riley said.

In addition, how much a pharmacist earns is increasingly a matter of how much a pharmacy benefits manager will pay, he said.