

Drug Insights:

Understanding mandatory generic substitution

Learn more about your drug coverage and how your claims are reimbursed



Your CAEAS-ECAB benefits plan includes coverage for eligible prescription drugs, including life-sustaining drugs, diabetic supplies and preventive vaccines. The plan was designed with long-term sustainability in mind, so it also includes **mandatory generic substitution**. This means, **your plan reimburses you based on the cost of the lowest-priced interchangeable drug** – most often a generic version of the brand-name drug.

Brand-name vs. generic drugs: What’s the difference?

Many of the drugs you will identify most easily are brand-name drugs. Think Lipitor or Crestor, for example. But for many drugs used to treat common conditions, there are also generic versions available.

It’s important to understand that a generic drug contains the same active ingredient(s) – with the same dosage form, strength, safety and quality – as the original brand-name drug. In other words, generic drugs are equally as effective, but they can cost **as little as 10%** of the price of the brand-name products.

If your doctor prescribes a brand-name drug, you have a couple of options:

- 1. Ask your doctor or pharmacist for the generic version** to maximize your reimbursement.
- 2. Get the brand-name drug.** In this case, you will be responsible for paying the difference in cost between the generic drug and the prescribed brand-name drug.

Example: John’s physician prescribes a brand-name drug that costs \$100. There is a generic equivalent available that costs \$20. Here’s how John’s claim would be determined and reimbursed under the CAEAS-ECAB plan:

	Option #1: John gets the brand-name drug	Option #2: John gets the generic drug
Drug cost (drug cost + \$6 dispensing fee)	\$100	\$20
Reimbursement under the CAEAS-ECAB plan	\$20	\$20
Difference (out of pocket)	\$80	\$0

Health Canada closely tests and regulates generics – and if a generic product is not identical to the brand-name product, it is taken off the market. You might also be surprised to learn that a number of large brand-name drug companies also manufacture generics.

Exception process

In certain special cases, a person will need to take a brand-name drug for medical reasons (e.g., he/she is allergic to the filler in the generic, which is not in the brand-name version, and has failed multiple trials of a generic equivalent to a specific brand-name drug). If you find yourself in that situation, there is an **exception process** through Great-West Life. Your doctor must complete a *Request for Brand Name Drug Coverage* form (available on the ONE-T website at www.one-t.ca) and provide medical evidence of your adverse reaction to the generic drug, demonstrating multiple treatment failures.

If your request is approved, you will be reimbursed based on the cost of the brand-name drug.

If your request is denied, you will be reimbursed based on the cost of the generic drug, per the plan provisions.

If your request is denied but you believe it should be approved, there will be an escalation process allowing you to appeal the decision with medical evidence. More information will be provided in the coming weeks.

Remember: this is *your* plan. As a CAEAS-ECAB plan member, you play an important role in keeping our drug costs manageable – not just today, but for many years to come.