

MSU Generic Prescribing Program Information Session

Hosted by MSU Human Resources



Agenda

- Introductions
- Program Overview
- Questions and Answers



Introductions

- MSU Human Resources Representatives
- CVS/Caremark Representatives
- MSU Pharmacy Representatives



Background

- Health care for MSU faculty, staff, retirees and dependents of these groups costs MSU more than:
 - \$110 million per year.
 - \$2 million per week.
 - \$300,000 per day.
- MSU spends more than \$30 million each year on prescription drugs.



Background

- Health care absorbs more than 7.5% of the MSU General Fund budget annually.
- Rising costs leave less for programs, wages, equipment and other critical MSU needs.
- MSU continues working collaboratively with many groups to identify areas of potential savings.
- The new Generic Prescribing program is expected to save nearly \$4 million.



Background

- Effective March 1, 2010, the new “Generic Prescribing Program” will take effect.
- The rules will apply to all new prescriptions AND all refills of existing prescriptions.
- In most cases, plan enrollees will pay higher out-of-pocket costs if they use brand-name drugs when generic versions are available.



Level 1 of the Program

- Level 1 of the program applies to direct generic equivalents.
- A direct generic equivalent is a generic drug that has the same active ingredients as a brand name drug and treats the same conditions as the brand name drug in the same way.
- Example: The direct generic equivalent of Prilosec is Omeprazole.



Level 1 of the Program

- If you choose a brand drug when a direct generic equivalent is available, you will pay the generic co-pay PLUS the difference in the cost between the brand name drug and the generic version you could have chosen.



Level 2 of the Program

- Level 2 of the program impacts classes of drugs used to treat conditions related to osteoporosis, high cholesterol, allergies, sleep problems, nasal steroids or GERD/acid reflux.
- Some brand-name drugs related to these conditions do not have direct generic alternatives, however, generic options may be available within the same “class” of drugs.



Level 2 of the Program

- Example: Lipitor is a brand-name drug used to lower cholesterol that does NOT have a direct generic alternative.
- However, there are other brand name drugs available in the class of drugs used to treat cholesterol problems that DO have direct generic alternatives available.
- Instead of using Lipitor, there are “same-class” generics that might be used such as Lovastatin, Simvastatin or Pravastatin.



Level 2 of the Program

- For certain classes of drugs, if you choose to continue using a brand name drug when there are generics available in the same class, you will need to pay the co-pay PLUS the difference in cost between the brand name drug and the average cost of all the generic options available within that class of drugs.
- The difference in cost can be significant.



Level 2 of the Program

- Example:

| BRAND NAME DRUG | Estimated Cost to You If You Use the Brand Version | | Estimated Cost to You If You Use a Generic Version | |
|--------------------|-------------------------------------------------------|---------------|-------------------------------------------------------|---------------|
| | 34-Day Supply | 90-Day Supply | 34-Day Supply | 90-Day Supply |
| CRESTOR (20 mg) | \$95 | \$295 | \$10 | \$20 |
| LIPITOR (20 mg) | \$113 | \$316 | \$10 | \$20 |
| LUNESTA (20 mg) | \$165 | \$452 | \$10 | \$20 |
| PREVACID (20 mg) | \$171 | \$424 | \$10 | \$20 |
| NEXIUM (20 mg) | \$166 | \$472 | \$10 | \$20 |

Please note: prices shown are estimates. Actual prices will vary from pharmacy to pharmacy and fluctuate over time.



Level 2 of the Program

- There are currently 34 brand name drugs covered under Level 2 of the program.
- The list of drugs impacted by Level 2 of the program will change over time as new generic options become available.
- You can find a list of Level 2 drugs online at www.hr.msu.edu/generics or call CVS/Caremark at 800-565-7105.



Exclusions

- Premarin, Lanoxin, Dilantin, Coumadin and Synthroid are excluded from both Level 1 and Level 2 of the Generic Prescribing Program rules.
- That means you will not have to pay the difference in cost between brand and generic versions for these specific drugs. Regular co-pay levels will apply.



Exceptions Process

- If there is a medical reason you cannot use a generic drug, your physician can apply for an exception on your behalf.
- Your physician will be asked to document the medical reason an exception is required – patient or physician preference alone is not grounds for an exception.
- The exception process is managed by CVS/Caremark.



Recommendations

- Always ask if generics are available when getting a new prescription.
- Review your medications with your physician periodically. New generics become available frequently and can lead to an increase in your out-of-pocket costs per refill if you keep using the brand name version.



Questions about the Generic Prescribing Program? Please Ask Us!

Please note: a copy of these presentation slides as well as copies of any handouts from these information sessions can be downloaded from www.hr.msu.edu/generics.

