

# Why make the switch to generic drugs?

FOR  
YOUR  
BENEFIT

Generic drugs are a safe and equally effective alternative to higher cost brand name drugs. Switching to generic drugs can help you and your benefits plan realize significant savings without compromising your health.

## What is a generic drug?

Generic drugs are copies of brand name drugs that are produced once the brand name drug's patent has expired. Brand name drugs and their generic equivalents contain the exact same medicinal ingredients and effectiveness.

## There are two differences between brand name drugs & generic equivalents

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### 1 Non-medicinal filler ingredients

While the filler ingredients can differ, the effectiveness of the drug does not change. Filler ingredients affect the appearance of a drug. This is why generic drugs can look different than the brand name version.

### 2 Cost

Generic drugs can cost up to 50% less than their brand name equivalents.

## How are generic drugs regulated?

Strict government regulations ensure that generic equivalent drugs are equal to the brand name drug in terms of:

- Purity
- Effectiveness
- Quality
- Dosage — they must dissolve at the same rate
- Route of administration — they must be absorbed in the same manner

*Health Canada monitors the production and rigorous testing of both generic and brand name drugs and ensures generic equivalents are as effective as their brand name counterparts.*

## Why are generic drugs sold at a reduced cost?

When brand name drugs are under patent, the manufacturer can choose the price. Often the price is set significantly higher than the cost of producing the drug to recover years of research and development costs, and testing for safety and effectiveness. Developing an innovative drug can cost hundreds of millions of dollars.

Once a drug's patent expires, other manufacturers are able to begin producing generic equivalents. Generic drug manufacturers can charge a reduced price because they do not incur the research and development costs. They are also encouraged to price competitively as other generic equivalent competitors enter the market.

