



Prescription Drugs—Do You Know The True Cost?

The cost of prescription drugs is still on the rise. We hear about it all the time, but it usually has little or no meaning to us. Why? Because most people who are covered by an employer-sponsored medical plan only have to pay a flat dollar copay whenever they get a prescription filled. The copay generally eliminates the uncertainty of out-of-pocket expenses. The downside is that it can conceal the actual—and often very steep—cost of prescription drugs.

How The Copay Works

When you go to a Kaiser pharmacy, you pay \$10 for generic and brand name drugs. The HMSA plans have a \$10 copay for generic drugs and a \$20 copay for brand name drugs (if you use a non-participating pharmacy, you pay 20% of the cost of the drug after your copay).

Generic vs. Brand Name

Brand name drugs are patented when they are first developed. Only after the patent expires can a less expensive generic be created. In order to be approved by the Food and Drug Administration (FDA), a generic drug **must** have the same active ingredients as its brand name equivalent.

The example below compares the cost for two brand name drugs and their generic equivalents under the HMSA plans. The copay amounts assume the drugs were filled at a participating retail pharmacy. As you can see, cost savings between generic and brand name drugs will vary depending on the specific drug. During 2003, for example, A&B's medical plan paid for 1,501 prescriptions of Lipitor; if the generic had been prescribed instead, the medical plan would have saved \$10,507 and members would have saved \$15,010.

Prescription Drug Brand Name/Generic Equivalent	Average Retail Cost Brand Name/Generic Equivalent	Copay Amount Brand Name/Generic Equivalent
Lipitor / Lovastatin	\$79/\$62	\$20/\$10
Prevacid / Omeprazole	\$126/\$75	\$20/\$10

Note: prescribed vitamins are not covered by any FlexSolutions medical plan.

Be In The Know

Plan highlights and benefits information are available on your medical provider's website. Links to all of the FlexSolutions providers are available at www.flexab.com, A&B's benefits website. Remember that websites are continually updated with additional features; you may find even more valuable information on future visits.

HMSA Quarterly Drug Report

HMSA sends quarterly drug reports that shows the retail cost of a generic or brand name drug, your out-of-pocket cost, and your plan benefit savings.