



Pharmacy Self Care Health Facts Column

By John Bell - 29 October 2008

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Making medicines more affordable

The current economic crisis is likely to affect everyone in every country in the world – either directly or indirectly. Certainly, in Australia, none of us will be immune from the impact of a diminishing dollar value, a collapsing share market or frozen investment funds.

Already, there are reports that more people than ever are contemplating whether they can afford what their doctor considered to be essential medicine.

It might seem that medicines, particularly prescription medicines, are expensive; however, the structure of the Australian Pharmaceutical Benefits Scheme (PBS) and the associated regulatory system of the Therapeutic Goods Administration (TGA) mean that our medicines, compared with elsewhere in the world, are not only safe and effective but also the very best value.

Of course in this kind of economic climate we can't expect the cost of medicines to go down, but there are ways we can minimise the hurt in our hip pocket.

Probably the simplest and most straight forward way is to use the less expensive, so-called generic alternative to the more commonly prescribed "brand name" products.

The term *generic* is derived from the Latin word "genus" which means family or class. When applied to medicines it describes the active ingredient – usually in a more easily pronounceable form than the tongue-twisting chemical name.

For marketing purposes, the pharmaceutical company which originally develops a medicine applies a unique, registered and trade marked brand name and the company is given a patent period to exclusively produce and market the medicine, and to recoup what is most often a considerable investment required to research, trial and finally bring the medicine to pharmacy shelves.

What is known as the R & D cost might be in excess of \$300 million. Discovering and developing new medicines is a costly exercise.

Nevertheless, when the patent period expires, other manufacturers can produce the medicine with the same active ingredient – these, then, are known as generic medicines.

While they have the active ingredient, they may have different inactive ingredients – perhaps small amounts of starch or lactose to make up tablet or capsule volume – or they might be a different colour or shape compared with the original branded product.

Importantly the TGA applies the same standards to generic medicines as it applies to original brands; so safety, quality and efficacy of all medicines is assured.

In fact, for a generic medicine to be listed on the PBS it must be interchangeable with the original brand and proven to be "bioequivalent". That means the rate and extent of absorption of the active ingredient in both products are so similar that they can be expected to have the same therapeutic effect.

Successive Commonwealth Governments through maintenance of the subsidised PBS have been able to contain branded medicine costs, whereas in many other countries the price difference between the generic medicine and the original brand has been far greater than in Australia, leading to a greater awareness and greater use of generic medicines.

However, the newly developed and newly PBS listed medicines are quite expensive. As well, we are staying alive longer (partly due to more effective medicines), so as a community we are using more medicines.

Greater use of generic alternatives will mean savings for us as individuals and as taxpayers – a reason why the Government is currently conducting a generics awareness campaign.

You can find more details at the National Prescribing Service (NPS) website (www.nps.org.au). NPS is an independent, non-profit organisation providing accurate, evidenced-based information about medicines; or for personal advice about whether a generic medicine will be suitable for you, you can call in to your nearest pharmacy providing the Self Care health information – locations are available from the Pharmaceutical Society – phone 1300 369 772.