

Generic Substitution and Reference Pricing Frequently Asked Questions

What is generic substitution?

Generic substitution allows pharmacists to dispense a different version of a medicine when a specific brand has been prescribed.

What is reference pricing?

Reference pricing sets a common reimbursement price for groups of interchangeable medicines.

When will these changes be introduced?

New legislation is required to allow generic substitution and reference pricing. The Minister expects that the necessary legislation will be in place to allow the changes to be implemented in 2011.

What is a generic medicine?

A generic medicine is a medicine that is similar to an original, brand named medicine. It has the same active ingredients as the original medicine and is made to the same standard to make sure it is safe and effective.

Why do generic medicines look different?

Generic versions of a medicine may have different colours, flavours or combinations of non-active ingredients compared to the original product. A generic medicine may also be a different shape or size and come in a different box, package or bottle. None of these differences, however, affect the way the medicine works.

Are generic medicines lower quality?

A generic medicine must meet exactly the same standards of quality and safety and have the same effect as the original medicine.

Does every medicine have generic versions?

Every brand-name medicine does not have a generic version. When new medicines are first made they have medicine patents. When the patent expires, other companies can start selling generic versions of the medicine.

Can every medicine be substituted?

No. For a small number of products, it is not advisable for patients to switch between different brands. Under the proposed system, pharmacists will only be able to substitute medicines that have been designated as interchangeable. Substitution will only be allowed where it is safe to do so.

Will I have to pay more for my usual brand of medicine?

Eligible patients will not be required to pay any additional costs for medicines priced at or below the reference price. If a patient wants a particular brand that is more expensive than the reference price they can pay the difference.

What happens if I need to receive a particular brand of medicine for medical reasons?

Your prescriber will be able to request that a particular brand is provided for medical reasons. If that particular brand costs more than the reference price you will not have to pay the difference.

Do other countries use reference pricing and generic substitution?

Yes. Many European Member States have systems of reference pricing and generic substitution. Similar systems are also in operation in Canada, Australia and the United States.