

# The truth about generic medicines



Just because a generic medicine is cheaper, it will still work the same. All generic medicines have to go through bioequivalence testing to make sure that they work the same way as the original medicine.

## What are generic medicines?

Generic medicines are expert copies of original brand-name medicines.

When a pharmaceutical company first develops a medicine, it takes out a patent to make sure it has the exclusive right to produce and market the medicine with a particular active ingredient. The active ingredient is the chemical in the medicine that makes the medicine work. These original medicines are often marketed under the pharmaceutical company's trade-marked name.

When the patent for the medicine expires, other manufacturers can also make the medicine with the same active ingredient. These are called generic medicines. Generic medicines are usually sold under the name of the active ingredient.

## Do generic medicines work the same as brand-name medicines?

Yes. Generic medicines have to be bioequivalent – this means that they have to have the same active ingredient and have the same effect on the body as the original medicine.

## Are generic medicines safe?

Yes. Medsafe, part of the Ministry of Health, is the regulatory body for medicines in New Zealand. It makes sure that the medicines available in New Zealand go through the same quality and safety checks before they can become available. Because generic medicines have to have the same active ingredient in them as the original medicine, they have the same risks and benefits as the original-brand medicines.

PHARMAC only funds generic medicines that are considered safe, effective and that will work the same as the original-brand medicine. PHARMAC gets advice from clinical advisory committees before it considers tendering for a generic medicine. For more information about the tender process, see the information sheet Purchasing Medicines.

## Why do generic medicines sometimes look different if they have the same active ingredients?

In all medicines, there are both active and inactive ingredients. The inactive ingredients in the medicine are called excipients. These inactive ingredients are there to hold the medicine together, give the medicine its colour, and make it easier to swallow. Generic medicines can look different because the inactive ingredients in the generic medicine may be different to the original medicine.

Sometimes people can be allergic to excipients, both in brand name and generic medicines. If you are allergic to something, it is important to check what your medicine contains, whether you are taking a brand name or a generic medicine.

## Why are generic medicines less expensive?

It costs pharmaceutical companies a lot of money to develop and market a new medicine and these costs are then passed on to the people who buy the medicines. The pharmaceutical company takes out a patent for a new medicine so they are the only ones who can make this medicine. When the patent expires, other suppliers are allowed to produce the medicine. Since generic companies do not have to make the medicine from scratch, and do not have to carry out the same range of clinical trials that the original medicine has to go through, it costs less for them to put the medicine on the market. Further, when there is more competition for a product, prices come down - similar to the benefits of competition for consumers in other markets.

## Do generic medicines take longer to work in the body?

No. Because they have the same active ingredient, generic medicines work in the same way and in the same amount of time as the original-brand medicine.

## Where are generic medicines produced?

Generic medicines are produced in factories all over the world. These factories must be approved by Medsafe before they can provide medicines to New Zealand. Often the factories that produce generic medicines are also producing the active ingredient for brand-name medicines.

It doesn't matter where in the world the factory producing the generic medicine is – the approval process and the standards for the medicines are the same no matter where the factory is located.

Generic medicines are often produced by major pharmaceutical companies that also develop original brand-name medicines.

PHARMAC is the Government agency that decides, on behalf of District Health Boards (DHBs), which medicines get subsidised so that they are more affordable for New Zealanders and available nationally. The subsidies PHARMAC sets are funded from a fixed budget that is part of DHB funding. PHARMAC also promotes the optimal use of medicines, carries out some procurement for DHBs, and manages special access programmes for some medicines.

Information Sheets on various PHARMAC topics are available from our website: [www.pharmac.govt.nz/patients/infosheets](http://www.pharmac.govt.nz/patients/infosheets)

If you have specific areas of interest (such as consultations, committees or vacancies), visit our website and subscribe to news feeds in the area(s) of interest to you: <http://pharmac.govt.nz/feeds>

### Contacting Us

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