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## Supreme Court Discounts Drugs

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Patients who take brand-name drugs could save up to 90% off their prescriptions thanks to a landmark Supreme Court ruling in favor of a generic drug company, experts say.

The justices ruled Tuesday that generic drug companies can challenge the way brand-name manufacturers describe their patents to the Food and Drug Administration. Experts say the complex patent system has long enabled pharmaceutical companies to hold onto their patents for longer by adding additional patents as the original expiration date draws near. “During this time the patent holder has a monopoly on the drug and can set pricing as they desire, says Kevin Flynn, president of Healthcare Advocates. “This ruling will allow people to have access to medication that they otherwise might not be able to afford.” (The National Pharmaceutical Association did not respond to request for comment.)

Drugs that lose their patents could save patients thousands of dollars a year on prescriptions, analysts say. “A patient can often save 90% or more if they can get a generic drug,” says Jeffrey Rice, chief executive officer of the Healthcare Bluebook. Tuesday’s ruling was in favor of a case lodged by Caraco Pharmaceutical Laboratories, which wanted to introduce a generic version of Novo Nordisk diabetes drug Prandin. To be sure, some 78% of drugs dispensed are already generic drugs and brand drug makers lose 80% of their volume within six months of a drug going generic, according to the IMS Institute for Healthcare Informatics. Because generics are copies of existing FDA-approved drugs, they don’t usually have research and development costs, and may not have exactly the same “inert” ingredients which — for instance — might help the drug dissolve.

Hastening the entry of more generic drugs into the market would help cut insurance costs and save tax dollars, according to several recent studies. The U.S. Government Accountability Office study said the U.S. healthcare system saved \$1 trillion from 1999 to 2010 by using generic drugs instead of brand-name drugs. And, in 2007, the Congressional Budget Office estimated that Medicare saved \$33 billion or 37% by using generic drugs. If some of the brand-name drugs for which generics were available were prescribed, an additional \$4 billion would have been saved, says **Devon Herrick, a senior fellow at the Dallas, TX.-based National Center for Policy Analysis**. “Today’s ruling could be good news for public and private health plans, says Ann Woloson, executive director of the non-profit U.S. Prescription Policy Choices.