

★ ARGUMENT IN FAVOR OF PROPOSITION 61 ★

Drug companies making enormous profits from people's illnesses and misery isn't just a moral issue. Skyrocketing prescription drug prices are a matter of life and death. More Americans die of hepatitis C than from all other infectious diseases—EVEN THOUGH THERE'S A CURE. One reason? The drug company that controls it charges *more than \$1,000 per pill*, out of most patients' reach. That's not the only outrageous example of drug-company price-gouging:

- The price of a common infection-fighting pill was raised overnight from \$13.50 to \$750—*nearly a 5000% increase*.
- *The average annual cost of widely-used specialty drugs is estimated at \$53,000*—greater than the nation's median household income (\$52,000) and almost 3 1/2 times larger than average annual Social Security benefits of \$15,000.
- One cancer drug costs *\$300,000 a year*.

The drug companies put profits over people, returns for stockholders over cures for patients. What good are miraculous, life-saving medications, if they're priced so high patients can't afford them—and thousands are dying as a result?

Proposition 61, The California Drug Price Relief Act, fights back against the drug companies' price-gouging. And it is expected to save lives. Here's how it would work: The Act would require the State of California to negotiate with drug companies for prices that are no more than the amounts paid for the same drugs by the U.S. Dept. of Veterans Affairs (DVA).

Why the Dept. of Veterans Affairs? Because unlike Medicare, the DVA negotiates for drug prices, and pays on average 20–24% less for medications than other government agencies, up to 40% less than Medicare Part D. The Drug Price Relief Act empowers the State of California, as the healthcare buyer for millions of Californians, to negotiate the same or even better deals for taxpayers, which could save billions in healthcare costs.

Drug companies are planning to spend \$100 million to fight this measure *because they know it would cause downward pressure on ALL drug prices*—and cut into their excessive profits.

Don't just take our word for it, a publication for drug executives called Prop. 61 "*GROUND ZERO*" in the national fight for lower drug prices, warning:

"If the voters of California approve this proposition . . . [it] would no doubt cause an immediate demand for the same VA discount rate to be made available to other states, the federal government, and likely private [health plan] entities, as well. *IN SHORT [IT] WOULD BE A PRICING DISASTER FOR THE ENTIRE U.S. DRUG INDUSTRY.*"

But a "pricing disaster" for drug companies would equal price relief for hard-pressed consumers.

Prop. 61 is strongly supported by the 86,000-member California Nurses Association—the largest healthcare-provider organization in the state; AARP, the largest retirees' group in California, with 3.3 million members; the Urban League; the Campaign for a Healthy California, including many labor unions; Progressive Democrats of America; Sen. Bernie Sanders; former U.S. Labor Secretary Robert Reich; and many others.

JOIN US IN FIGHTING AGAINST HIGH DRUG PRICES AND DRUG COMPANY GREED. VOTE YES ON PROPOSITION 61. For more information, go to www.StopPharmaGreed.com.

ZENEI CORTEZ, RN, Co-President
California Nurses Association/National Nurses Organizing Committee

NANCY McPHERSON, State Director
AARP California

SENATOR ART TORRES (Ret.), Chair
California Democratic Party (1996–2009)

61

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 61 ★

Leading experts have rejected proponents' claim that Prop. 61 would somehow reduce drug prices. In fact, EXPERTS WARN PROP. 61 WILL INCREASE DRUG PRICES.

The *California Medical Association*, the state's foremost medical organization representing 41,000 doctors, says:

"While California's physicians are profoundly concerned about the affordability of prescription drugs, we evaluated this measure and have concluded it is deeply flawed and unworkable. We believe the measure would likely increase—not lower—state prescription drug costs."

The highly-respected, independent *California State Legislative Analyst* says Prop. 61 *"could raise (state) spending on prescription drugs."*

The *California Taxpayers Association* opposes Prop. 61 because it would impose new bureaucracy and red tape, and cause countless lawsuits—COSTING TAXPAYERS MILLIONS.

The *Veterans of Foreign Wars (VFW)*, Department of California urges NO on 61 because it could jeopardize special discounts given to the U.S. Department of Veterans Affairs and INCREASE DRUG PRICES FOR VETERANS.

Who's behind this measure?

Prop. 61 was written by Michael Weinstein, president of

an organization that brings in \$1 billion annually selling prescription drugs and operating HMOs. His group is spending millions to fund the campaign. But he exempted his own organization from its drug pricing provisions. He shouldn't ask Californians to approve a flawed initiative he isn't willing to comply with himself.

Prop. 61 is OPPOSED BY MORE THAN 100 CALIFORNIA ORGANIZATIONS, including:

- Vietnam Veterans of America, California State Council
- California Taxpayers Association • Veterans of Foreign Wars (VFW), Dept. of California • California NAACP
- American Congress of Obstetricians and Gynecologists (ACOG)—District IX/CA • California Medical Association

Prop. 61 is deeply flawed and costly. Vote NO.

www.NoProp61.com

STEVE MACKEY, President
Vietnam Veterans of America, California State Council

WILLIAM M. REMAK, Chairman
California Hepatitis C Task Force

ALICE A. HUFFMAN, President
California NAACP

★ ARGUMENT AGAINST PROPOSITION 61 ★

Proposition 61 is a deeply flawed and costly scheme that is not what it seems.

Prop. 61 was written and is being promoted by Michael Weinstein, the controversial president of an organization that brought in more than \$1 billion selling prescription drugs and HMO policies. Suspiciously, he exempted his own HMO from having to comply with the measure he wrote and is promoting.

- The *Veterans of Foreign Wars, Department of California* warns Prop. 61 would harm veterans.
- The *California Medical Association*, representing 41,000 doctors, warns Prop. 61 would reduce patient access to medicines.
- The *California Taxpayers Association* warns Prop. 61 would impose new bureaucracy, red tape and lawsuits—costing taxpayers millions.

PROP. 61 DOES NOT APPLY TO 88% OF CALIFORNIANS. BUT IT NEGATIVELY IMPACTS ALL CALIFORNIANS

The proposition only covers an arbitrary group of patients in certain state government programs, including some government employees and state prisoners. More than 88% of Californians are excluded. More than 10 million Medi-Cal low-income patients, 20 million Californians with private health insurance and Medicare, and millions of others—*ALL EXCLUDED*.

PROP. 61 COULD INCREASE PRESCRIPTION DRUG COSTS FOR VETERANS

The US Department of Veterans Affairs receives special discounts on prescription drugs for veterans. This measure could result in eliminating these discounts and increasing prescription drug prices for veterans. That's why the measure is opposed by more than a dozen veteran groups, including:

- *Veterans of Foreign Wars, Department of California*
- *Vietnam Veterans of America, California State Council*
- *American Legion, Department of California*
- *AMVETS, Department of California*

DOCTORS AND PATIENT ADVOCATES SAY PROP. 61 WOULD DISRUPT ACCESS TO NEEDED MEDICINES

Prop. 61 would result in a new bureaucratic prior approval process

that would interfere with patient access to needed medicines.

Leading health groups oppose Prop. 61, including:

- *California Medical Association* • *American Congress of Obstetricians and Gynecologists (ACOG)—District IX/CA*
- *Ovarian Cancer Coalition of Greater California*

PROP. 61 WOULD LIKELY INCREASE STATE PRESCRIPTION DRUG COSTS

Prop. 61 would result in the elimination of drug discounts the state currently receives—increasing state prescription costs by tens of millions annually. The state's nonpartisan Legislative Analyst says the measure could raise state spending on many prescription drugs.

INCREASED BUREAUCRACY, RED TAPE AND HIGHER TAXPAYER COSTS

The California Taxpayers Association opposes Prop. 61. The measure is completely vague on how it would be implemented. Passage of this measure would result in more government bureaucracy, red tape and lawsuits as state agencies struggle to implement it—costing taxpayers millions.

PROMOTER WROTE IN SPECIAL PROVISIONS FOR HIS OWN ORGANIZATION

The proponent exempted his billion dollar operation and wrote in provisions giving him a special right to engage in lawsuits regarding this measure. This provision requires California taxpayers to pay his lawyers—a virtual blank check.

Proposition 61 is yet another example of a misleading and costly ballot measure. It would hurt veterans; jeopardize patient access to needed medicines; increase state prescription costs; and add more bureaucracy, red tape and lawsuits—costing taxpayers millions.

JOIN VETERANS, DOCTORS, PATIENT ADVOCATES, TAXPAYER GROUPS: NO on 61.

www.NoProp61.com

DALE SMITH, Commander

Veterans of Foreign Wars, Department of California

RANDY MUNOZ, Vice Chair, Latino Diabetes Association

GAIL NICKERSON, President

California Association of Rural Health Clinics

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 61 ★

The drug companies want you to believe they're opposing Prop. 61 because it wouldn't cover every drug purchase in California. That's as laughable as the NRA saying it opposes an assault-weapons ban because it doesn't cover enough different kinds of guns.

THE DRUG COMPANIES ARE ONLY CONCERNED ABOUT MAINTAINING THEIR EXORBITANT PRICES AND PROFITS, PURE AND SIMPLE!

Don't be fooled by their expected \$100-million campaign of distortion and mistruths. Voting against 61 only allows the drug companies to continue ripping off you and your family. Despite what they're telling voters, there's a reason the No on Prop. 61 campaign is FUNDED ALMOST ENTIRELY BY OUT-OF-STATE DRUG COMPANIES. Here's what drugmakers are telling themselves, in publications like *Pharmaceutical Executive*:

"It's pretty clear that if this California pricing proposition passes, ALL HELL MAY BREAK LOOSE FOR THE AMERICAN PHARMACEUTICAL INDUSTRY . . . It would shake the rafters of every single public state drug program in the nation, as well as the federal Medicaid and Medicare programs."

Drug companies are also unpatriotically threatening to raise drug prices for veterans, BUT THAT'S ANOTHER EMPTY THREAT. Federal law REQUIRES discounts for the Dept. of Veterans Affairs, drug companies aren't selling reduced-price drugs to veterans out of the goodness of their hearts.

Support Prop. 61 along with:

- California Nurses Association • AARP California • The Urban League • AIDS Healthcare Foundation • VoteVets Action Fund • Association of Asian Pacific Community Health Organizations • Progressive Democrats of America
- ONLY PROPOSITION 61 ALLOWS ORDINARY CITIZENS TO FIGHT BACK AGAINST DRUG COMPANY POWER AND GREED.** www.StopPharmaGreed.com.

OTTO O. YANG, M.D., Scientific Director
AIDS Healthcare Foundation

CAPTAIN SHAWN TERRIS (Ret.), Chair
California Democratic Party Veterans Caucus

NOLAN V. ROLLINS, President
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