

★ ARGUMENT IN FAVOR OF PROPOSITION 34 ★

Rising healthcare costs are squeezing millions of Californians. Prop. 34 will give California patients and taxpayers much needed relief, and lowers state drug costs, while saving California taxpayers billions.

CUT PRESCRIPTION DRUG PRICES

Prop. 34 will drastically cut the cost of prescription drugs for Medi-Cal patients by permanently authorizing the State of California to negotiate lower Medi-Cal prescription drug costs.

PROTECT PATIENTS AND TAXPAYERS

Prop. 34 stands to save taxpayers millions of dollars more every year by requiring the greediest healthcare corporations to spend at least 98% of the taxpayer funds they receive through the drug discount program in California on directly treating patients.

STOP HEALTHCARE CORPORATION FINANCIAL ABUSE IN CALIFORNIA

Prop. 34 stops egregious financial abuse of the taxpayer-funded drug discount program in California.

Over 30 years ago, the federal government began offering discounted prescription drugs and other treatments to uninsured and low-income patients. However, healthcare corporations across the country have used a legal loophole to game the system and divert money from the drug discount program to pet projects that have done nothing to benefit patients: wasting money on renting out football stadiums to put on private concerts, giving their executives multimillion dollar salaries, paying for naming rights on sports stadiums, spending millions on lobbying, and dumping millions more into political campaigns.

Worse yet, these same corporations that get billions in taxpayer dollars have spent hundreds of millions of dollars on housing projects that are often run like slums. An LA Times investigation found that residents at several

of these housing projects were forced to live in squalid conditions, exposed to roach and bedbug infestations, putting the health and safety of tenants at risk.

Prop. 34 will prevent this abuse from occurring in California and requires drug discount program dollars generated in California to be used for their intended purpose: helping patients.

HOLD ABUSERS ACCOUNTABLE

Prop. 34 holds violators accountable. Healthcare organizations that break the rules and misuse these taxpayer dollars must either recommit to spending on direct patient care or risk losing their California tax-exempt status and professional licenses.

Prop. 34 is targeted at those bad actors who have continually abused the system to pocket billions of taxpayer dollars for their own use. That's why it is supported by a wide coalition, including organizations that advocate to help patients and leaders in the LGBTQ community. Those supporting Prop. 34 include the California Chronic Care Coalition, the ALS Association, the Defeating Epilepsy Foundation, California Senior Alliance, AiArthritis, Support Fibromyalgia Network, Lupus and Allied Diseases Association, Inc., and the Community Access National Network.

It's time to close the corporate loophole that allows wealthy pharmacy corporations to divert money meant to help patients. Protect Patients Now. Vote Yes on Prop. 34. Learn more at YesOnProp34.com.

Assemblymember Evan Low, Former Chair
Legislative LGBT Caucus

Kelly Goss, Managing Director
The ALS Association

Nilza Serrano, Founder
Latino Heritage Los Angeles

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 34 ★

Vote No on 34—The Revenge Initiative. The California Apartment Association, representing the billionaire landlords, is lying through its teeth. Prop. 34 has one and only one purpose: to prevent AIDS Healthcare Foundation (AHF) from supporting rent control.

Do you believe that these billionaire landlords are suddenly so concerned about access to healthcare for poor Californians? And it is a lie that it will lower drug costs since Medi-Cal has already implemented a low-cost drug program.

AHF is the sponsor of Prop. 33—the rent control initiative. Landlords are spending tens of millions to protect their obscene corporate profits while more than 50% of California's 17 million renters are paying more than 30% of their income on rent.

You might notice that they don't even mention AHF by name because they don't want you to know that they want to harm the largest AIDS organization in the world.

They are lying when they call the federal 340B drug discount program government money. 100% of the funds

derived from 340B come from discounts that come right out of the pockets of drug companies. Don't be fooled—big pharma has contributed to many of the supporting organizations for Prop. 34. A strong 340B program is good for California, bad for big pharma.

As they themselves admit, non-profits are permitted by federal law to use these drug company discounts in accordance with their non-profit mission—advocating for rent control, women's reproductive rights, and a healthy environment.

Vote No on The Revenge Initiative.

Jerilyn Stapleton, Board Member
National Organization for Women

Jamie Court, President
Consumer Watchdog

Larry Gross, Executive Director
Coalition for Economic Survival

★ ARGUMENT AGAINST PROPOSITION 34 ★

Proposition 34 is sponsored by the billionaire landlords who control the California Apartment Association (CAA). This initiative is a wolf in sheep's clothing. It has only one purpose: to prevent AIDS Healthcare Foundation (AHF) from promoting rent control. It claims to protect patients, but its real intent is to stop AHF from putting tenant protections on the ballot.

On this same ballot is Proposition 33, the rent control initiative which is simply 23 words:

"The state may not limit the right of any city, county, or city and county to maintain, enact or expand residential rent control." AHF is the principal funder of this rent control initiative. Proposition 33 restores the ability of localities to stabilize rents and give some relief to California's 17 million struggling renters.

CAA and the billionaire supporters who have been gouging renters want to stop rent control at all costs. Can anyone believe that these corporate landlords are suddenly interested in healthcare? And guess who's behind the endless ads you will see for Prop. 34—the big drug companies through their bought and paid for front groups. These two rogue industries are united in wanting to destroy AHF, which is the most powerful voice for lower rents and lower drug prices.

AHF is the largest AIDS organization in the world with 2 million lives in care in 47 countries across the globe. Our mission is: Cutting Edge Medicine and Advocacy Regardless of Ability to Pay.

AHF was born out of outrage that AIDS patients were often dying in the hallways of the county hospital. AIDS patients needed a home to die in. Fortunately, HIV treatment has drastically improved so that today housing is the #1 problem facing our patients.

Proposition 34 is a grave danger to democracy. It seeks to weaponize the initiative process by allowing powerful interests to target a single organization to punish and shut them up. If passed, this proposition would threaten the ability of organizations to advocate for reproductive rights, renter needs, and environmental protections. The Los Angeles Times even described it as a "self-serving" ballot initiative that reached a "new low."

If this becomes the law, where will it stop? For this reason, it is opposed by The National Organization for Women, Consumer Watchdog, The Coalition for Economic Survival, UNITE HERE Local 11, Dolores Huerta, and many others.

We trust that you, the voters, will see through this corporate landlord scam and vote NO on Proposition 34.

Visit www.voteno34.org for more information.

Jerilyn Stapleton, Board Member
National Organization for Women

Larry Gross, Executive Director
Coalition for Economic Survival

Condessa M. Curley, M.D. /MPH, Board Member
AIDS Healthcare Foundation

34

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 34 ★

When we have bad corporate actors that profit off public programs, the services our families rely upon take the hit, including schools, public safety, and emergency responders. The current system is being abused by corporations that are wasting billions of dollars intended for patient care every year and making our communities less safe, endangering the public's health and safety.

Instead of helping patients, those funds are being used to: Finance slums that are unsafe and violate health codes:

<https://www.latimes.com/homeless-housing/story/2023-11-16/aids-healthcare-foundation-low-income-housing-landlords>

Sue low-income tenants and throw them out on the street:

<https://www.poz.com/article/aids-healthcare-foundation-reportedly-houses-tenants-squalid-conditions>

Buy stadium naming rights:

<https://www.nytimes.com/2022/09/24/health/bonsecours-mercy-health-profit-poor-neighborhood.html>

And pay corporate CEOs millions:

<https://lowninstitute.org/projects/2023-shkreli-awards/>
Prop. 34 would stop the worst corporate abuses of the federal low-cost prescription drug program and ensure that money meant for patients is not wasted on corporations' pet projects, political crusades, or misused in ways that risk the public's health and safety. Prop. 34 will ensure corporations that are misusing public funds are held accountable. It's time to stop the rip-off. We must make sure that money meant for patients is spent on taking care of those who need help, not risking public safety. Vote Yes on 34.

Brian K. Rice, President
California Professional Firefighters

Stuart Fong, Chair
San Francisco Hep B Free

Rev. Dwight Williams, Chair
California Senior Alliance