



Ohio Ballot Issue 2 - Ohio Drug Relief Act

As we get closer to the elections next week, we wanted to again provide you with information on Issue 2. The Ohio Association of Health Insurance Underwriters is not taking a position on this issue. We believe that each member should review each side of the issue and make their own decision.

Ohio Ballot Issue 2, Ohio Drug Price Relief Act, if passed, would require the state and state agencies to pay no more for prescription drugs than the lowest price paid by the U.S. Department of Veterans Affairs (VA). It takes a further step of giving the four named sponsors of the measure the ability to intervene, at the taxpayer expense, in any legal challenges that may be filed against it if it becomes law. The ballot is very similar to one that was defeated last year in California by a 53-47% margin. While this issue may impact healthcare reform in Ohio, it is part of the bigger “repeal and replace” conversation occurring in Washington D.C.

FUNDING

The main source of funding for the bill is provided by a California activist, Michael Weinstein. Mr. Weinstein's business, AIDS Healthcare Foundation (AHF), headquartered in Los Angeles, CA, makes 80% of its revenue from the sale of prescription drugs. Ohio Taxpayers for Lower Drug Prices is the name of the campaign pledging support for the ballot language. As of August 28, 2017, they have raised almost \$23 million, 99.99% of which came from AHF. Opponents of the bill, Ohioans Against the Deceptive RX Ballot Issue, have raised \$16.5 million from Pharmaceutical Research and Manufacturers of America (PhRMA) and a PhRMA subsidiary.

OPONENT OVERVIEW

Proponents argue that taxpayers are overpaying for prescriptions because of “greedy drug companies”. Ohio government agencies will be required to use their combined negotiating strength to obtain significantly lower prices for the drugs they purchase. Four million Ohio residents would benefit from the passage of the measure. Taxpayer-funded health programs could save as much as \$536 million annually according to the opponent-funded study by Maxwell J. Mehlman, law professor and director of the Law-Medicine Center at Case Western Reserve University School of Law.

OPONENT OVERVIEW

The VA negotiates drug prices directly with drug manufacturers and typically pays 20 to 24 percent less than other agencies for prescription drugs. Medicaid, which accounts for 75% of the Ohio prescription drug purchase, receives a 23.1% federally mandated

count. The amount of money the state would spend to implement the program would far outweigh any benefits from the savings. The savings would not be applied to group or individual plans but only to plans for which the state purchases prescriptions. It is likely that the cost for those under private insurance will increase as to absorb the discounts provided under this bill. A study by Vorys Health Care Advisors, financed by the opposition, suggests that the measure would have the opposite effect of driving prices up as drug manufacturers would no longer be willing to voluntarily negotiate additional discounts for veterans if they know the discounts would apply to millions of additional patients.

For more information on both sides of the issue can be found on the parties' respective websites and [Ballotpedia](#)

Proponents: Yes on Issue 2 <http://www.yesonissue2.com>

Opponents: Ohioans Against the Deceptive RX Ballot Issue <http://www.deceptiverxissue.org>

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