

Proposition 79:

Deeper, Enforceable Discounts for Twice as Many Californians

There are two prescription drug measures on the ballot: Proposition 78, sponsored by drug companies and Proposition 79, sponsored by consumer, senior and health organizations.

The pharmaceutical industry has pledged to spend “whatever it takes” to defeat Prop. 79, launching what could be the most expensive initiative campaign in California history. Here’s why:

Prop. 79: Enforceable, Not Voluntary, Discounts By Drug Companies

Prop. 78 is completely voluntary for drug companies: they are free to choose whether or not to offer discounts. California has tried a voluntary drug discount plan before. The pharmaceutical industry refused to participate so the program dissolved in 2001.

Prop. 79 has an enforcement mechanism. If a drug company refuses to provide discounts, the state can shift business away from that company and buy more from other drug companies that offer discounts.

Prop. 79: Discounts to Twice as Many Californians

Between 8 and 10 million Californians will be eligible for discounts under Prop. 79 – twice as many as under Prop. 78, including:

- Californians with catastrophic medical expenses who spend at least five percent of their income on medical expenses;
- The uninsured who earn up to 400 percent of the Federal Poverty Level (\$64,360 for a family of three);
- Californians on Medicare for drug costs not fully covered by Medicare;
- Seniors, the chronically ill and others with inadequate drug coverage through private insurers or their employer.

Prop. 79: California Would Use Its Purchasing Power to Get The Best Price

Americans pay more for their prescriptions than consumers in many wealthy nations, in part because these other governments negotiate discounts from the drug industry on behalf of their citizens.

California does something similar through Medi-Cal, negotiating discounts of 50 percent and more, saving taxpayers \$5 billion in the last 10 years. Prop. 79 builds on this success, using the same mechanism to negotiate these discounts for eligible Californians. As a result, consumers will pay less out of their own pockets for prescriptions at the expense of the drug companies, not taxpayers.

Under Prop. 79, eligible Californians would get a drug discount card to present to their pharmacist to receive discounts of up to 50 percent or more.

Prop 79: Would Save Patients, Taxpayers and Employers Money

By making affordable drugs more accessible to more people than Prop. 78, fewer people would fall onto Medi-Cal or other public programs, and need to use taxpayer-funded emergency rooms. Prop. 79 can reduce employers' health premiums by authorizing a new purchasing pool to reduce drug prices for employer-paid coverage.

Prop. 79: Backed by Health, Senior and Consumer Advocacy Organizations

Dozens of health, senior and consumer advocacy groups representing thousands of Californians are supporting Proposition 79. These groups include: Health Access California, Consumers Union, California Association of Retired Americans and the League of Women Voters.