



On November 7, 2017, Ohioans will be asked to vote on Issue 2, a flawed statewide ballot issue. The deceptively named “Ohio Drug Price Relief Act” is bad for medical providers and patients and is bad for the state.

Issue 2 would impose unworkable contracting requirements for state prescription drug purchases based on prices paid by the U.S. Department of Veterans Affairs (VA). The proposal is vague and without operational guidelines. Three former Ohio Medicaid directors representing both Republican and Democratic administrations analyzed the proposal and concluded that it is unlikely to reduce drug costs, could reduce patient access to a variety of important medicines and would be nearly impossible to implement. The lack of detail and information about how to implement the measure is likely to lead to bureaucratic in-fighting, delays, lawsuits and higher costs for patients and taxpayers.

Ohio’s medical providers and patient advocates should join the Ohio Nurses Association; the Ohio State Medical Association; the Ohio Hospital Association; the Ohio Children’s Hospital Association; the American Academy of Pediatrics, Ohio Chapter; and other medical providers and health advocacy groups to **oppose Issue 2.**

Who’s behind it?

Issue 2 issue is being promoted by a billion-dollar California-based non-profit, the AIDS Healthcare Foundation (AHF). Nearly 80% of AHF’s revenue comes from pharmacies it owns.¹ AHF’s controversial leader, Michael Weinstein, has been accused of using millions of tax-exempt dollars generated by his organization for political purposes unrelated to the mission of his foundation.²



Why are lawsuits likely?

The promoters of Issue 2 wrote into it an unprecedented provision to give themselves the right to intervene at taxpayer expense in any legal challenges that may be filed against it if it becomes law. This provision would give the sponsors a blank check to defend any part of the law, and require that their legal fees be reimbursed by taxpayers whether they win or lose.³

What happened in California?

California voters soundly defeated a virtually identical version of the proposal known as Proposition 61 (Prop 61), last November. California health advocacy organizations, including the California Medical Association, and groups representing OB-GYNs, oncology physicians and psychiatrists, patients, rural health advocates, veterans, business, labor and more were among the more than 200 groups that opposed Prop 61. Prop 61 was opposed by every major California newspaper – conservative, moderate and progressive alike.

Nearly impossible to implement

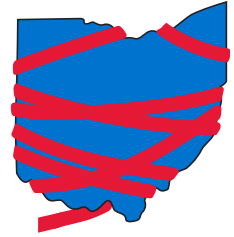
Requiring the state to buy drugs at the lowest price paid by the VA would be nearly impossible to implement because by law, the VA does not disclose the lowest price it pays. In addition to the specified percentage discounts the VA receives, the agency routinely gets additional rebates from pharmaceutical manufacturers. These rebates change frequently and are not disclosed by either the VA or the manufacturers. This means that state entities would not know what benchmark to meet if this proposal were to become law.

Impact to Medicaid & Pharmacy

Experts warn that Issue 2 could actually increase prescription drug costs for the state and reduce patient access to needed medicines for the state programs the measure does cover. Ohio's Medicaid program, as well as other state programs, could see the many drug discount agreements the state already has in place with pharmaceutical companies invalidated, potentially increasing state prescription drug costs by tens of millions of dollars annually.

Invalidating these existing discount agreements could also result in massive changes to the lists of covered drugs ("formularies") currently used in state programs. Such changes likely would include dropping certain products from the formulary altogether; applying barriers to access such as prior-approval or "fail first" requirements for other drugs

and other cumbersome and bureaucratic processes. All of these hurdles will lead to treatment delays and other waste that could increase state costs and jeopardize health outcomes.



If Issue 2 were to become law, the three million children and families who depend on Medicaid for their prescription drug coverage would bear the largest burden as state officials struggled to implement the law. Other vulnerable populations such as people with developmental, mental and physical disorders; infants; injured workers and the elderly would also be adversely impacted.

Issue 2 is bad for bioscience and medical research institutions

If passed, Issue 2 could have a chilling effect on the cutting edge medical research and innovation happening in Ohio. Reducing revenues from harmful price controls will discourage current and future investment in the research and development of new treatments and cures.



Medical providers and health advocacy groups opposing Issue 2

- American Academy of Pediatrics, Ohio Chapter
- American Congress of Obstetricians and Gynecologists, Ohio
- Academy of Medicine of Cincinnati
- The Academy of Medicine of Cleveland & Northern Ohio
- Butler County Medical Society
- Equitas Health
- Healing Hearts of Central Ohio
- Mended Hearts
- Mental Health America of Franklin County
- National Alliance on Mental Illness of Ohio
- National Community Pharmacists Association
- Ohio Affiliate of Prevent Blindness
- Ohio Association of County Behavioral Health Authorities
- Ohio Children's Hospital Association
- The Ohio Council of Behavioral Health & Family Services Providers
- Ohio Foot and Ankle Medical Association
- Ohio Hematology Oncology Society
- Ohio Hospital Association
- Ohio Nurses Association
- Ohio Ophthalmological Society
- Ohio Osteopathic Association
- Ohio Pharmacists Association
- Ohio Psychiatric Physicians Association
- Ohio Sickle Cell and Health Association
- Ohio Society for Health System Pharmacists
- Ohio State Medical Association
- Prevention Action Alliance

¹ Vasquez and Company LLP, "Audited Consolidated Financial Statements and Supplementary Information: AIDS Healthcare Foundation, As of and for the Years ended December 31, 2015 and 2014, with Report of Independent Auditors," accessed May 4, 2017, p. 4, https://www.aidshealth.org/wp-content/uploads/2016/05/AIDS-Healthcare-FS-2015_FINAL-3.pdf

² Neal Broverman, "World's Largest AIDS Organization Just Flushed Millions Down the Toilet," The Advocate, accessed April 21, 2017, <http://www.advocate.com/hiv-aids/2017/3/08/worlds-largest-aids-organization-just-flushed-millions-down-toilet>.

³ The Ohio Drug Price Relief Act – Initiative Text: Ohio Revised Code, Section 194.01, section (G), accessed April 18, 2017, <https://www.sos.state.oh.us/sos/upload/ballotboard/2015/2015-07-21-petition.pdf>; Bricker & Eckler LLP, "ODPRA Legal Fees Provision," Memorandum to Ohio Ballot Initiative 2017 Campaign Team, February 23, 2017.