



In November 2017, Ohioans will be asked to vote on Issue 2, a deeply flawed and deceptive ballot issue dubbed the “Ohio Drug Price Relief Act.” Issue 2 is bad for business and taxpayers. It imposes artificial price controls, lacks operational guidelines and if passed, could cause lawsuits and higher costs for taxpayers.

Ohio business and labor groups opposing Issue 2 include the Ohio Manufacturers’ Association; the Ohio Chamber of Commerce; the Ohio Farm Bureau Federation; BioOhio; the Ohio Nurses Association; the Ohio Hospital Association and ACT Ohio, the group representing Ohio’s building and construction trades.

Ohio taxpayers should oppose Issue 2.

What does Issue 2 propose?

Issue 2 requires state government to base its purchase of prescription drugs on prices paid by the U.S. Department of Veterans Affairs (VA). The proposal would apply to programs that serve public retirees and state workers, Medicaid beneficiaries, injured workers, prisoners and more.

There’s no benefit for Ohio taxpayers

Issue 2 would invalidate the many drug discount agreements that Ohio already has in place with pharmaceutical companies for Medicaid and other state programs—with unknown costs and complications for Ohio taxpayers, and potentially increasing state prescription drug costs by tens of millions of dollars annually.¹

Impossible to implement

The VA is not required to disclose its purchasing contracts. That means state entities would not know what benchmark to meet. But if Ohio voters approve Issue 2, state officials would be legally required to implement the new law, forcing them to challenge the VA for

disclosure. The administrative costs of trying to implement an unworkable law would fall on Ohio programs that serve vulnerable populations, such as people who are developmentally disabled, people with mental illness, infants, injured workers, the elderly and other Ohioans. Those are resources that both the state and the VA could put to better use.



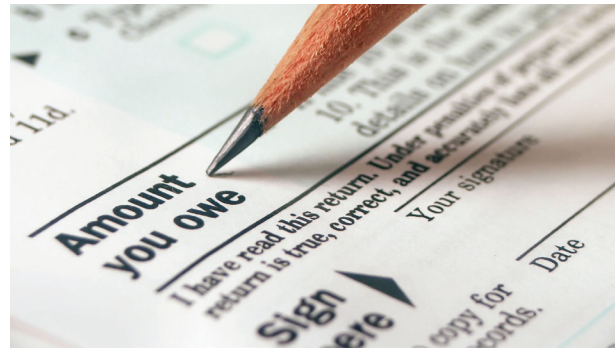
Why are lawsuits likely?

The promoters of Issue 2 wrote into it an unprecedented provision giving 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.

What happened in California?

An almost identical version of the proposal, Proposition 61 (Prop 61), appeared on the November 2016 California ballot and was defeated. A number of California business organizations opposed Prop 61, including the California Chamber of Commerce, the California Business Roundtable, the California Manufacturers & Technology Association and a number of local chambers and business groups. They were concerned with the potential for price controls on other industries, additional government bureaucracy and litigation in the attempt to implement it, as well as the potential to curb life science research and development.

In addition to business, more than 20 veterans groups in California opposed Prop 61 along with 200 other groups representing doctors, labor, patient advocates and community groups. Every major California newspaper opposed Prop 61 because of its deep flaws.



Who's behind Issue 2?

Issue 2 is being promoted by a billion-dollar California-based non-profit, the AIDS Healthcare Foundation (AHF), that gets nearly 80% of its revenue from selling prescription drugs.² 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.³



¹ Maureen Corcoran, Barbara Coulter Edwards, Robyn Colby, James Downie, and Marisa Weisel, "Analysis of Proposed Ohio Initiated Statute to Regulate State Prescription Drug Purchasing," VORYS Health Care Advisors and Health Management Associates, September 22, 2016, p. 25; John McCarthy, "Negative Consequences of the Ohio Prescription Drug (or Rx) Ballot Issue," Upshur Street Consulting LLC, April 11, 2017, p.4.

² 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.

³ 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>.