



Los Angeles Area
Chamber of Commerce

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LA AREA CHAMBER TAKES POSITIONS ON COMPETING PRESCRIPTION DRUG INITIATIVES

Los Angeles, CA – Today, the Los Angeles Area Chamber of Commerce announced its support for Proposition 78 and opposition to Proposition 79, two competing discount drug programs that will be on the November 8 statewide ballot.

Based on a successful program in Ohio, Proposition 78 will provide significant savings for low-income, uninsured Californians by offering prescription drugs at the lowest commercial price available in the state. In addition, pharmacies will provide a discount comparable to what is given to most health plans and other large purchasers. The program, called Cal Rx, will combine the purchasing power of nearly five million low-income Californians to make prescription drug discounts a reality in the state.

Cal Rx is identical to proposed legislation (SB 19) introduced this session that received bipartisan support and was backed by the medical community, patient advocacy groups and low-income groups.

“Prop 78 delivers real help to seniors and low income, uninsured families and can be implemented in California immediately,” said Rusty Hammer, president and CEO of the Los Angeles Area Chamber of Commerce. “We are committed to seeing this measure pass in order to help those in need.”

In contrast, Proposition 79, backed by California’s public employee unions, contains fatal flaws that will restrict access to prescription drugs for California’s Medi-Cal population and ultimately drive up price for consumers. The measure also requires approval from the federal government, which will not be granted because it would hurt Medi-Cal patients to help people that make more than \$77,000 for a family of four.

Unlike Prop. 78, Prop. 79 limits the number of drugs eligible for discounts, which will force patients to pay full, retail price if a drug is not on the approved list. The measure also includes a private right of action for trial lawyers to sue companies over vaguely-worded terms. Lawyers could sue without a client and keep any settlement, similar to the type of lawsuits rejected by voters when they passed Prop 64 last year.

“Proposition 79 will lead to more frivolous lawsuits and restrict access to some life saving drugs for those who may need them the most,” said Hammer. “Any measure that would interfere with California’s economy, leading to higher consumer prices in the marketplace is bad policy.”

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The Los Angeles Area Chamber of Commerce, with more than 1,400 members, represents the interests of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information visit www.lachamber.org.