



STATE SENATOR
CHARLETA B. TAVARES

15TH DISTRICT

Sponsor Testimony
Presented by: Senator Charleta B. Tavares
Senate Bill 253
Health, Human Services and Medicaid Committee
April 17, 2018

Chairman Burke, thank you for the opportunity to provide sponsor testimony on Senate Bill 253. This bill will align the pricing of prescription drugs and medical equipment purchased by state entities and agencies, including OPERS and other state retirement systems, to that of the U.S. Department of Veterans Affairs.

As you may recall a similar measure was on the ballot in Ohio last November. Issue 2 would have required that state agencies pay for drugs no more than the US Department of Veterans Affairs, which gets a 24% discount off of the average manufactures 'prices. Voters rejected the measure (Yes: 21% | No: 79%) because the measure only affected

people who receive their health care through state agencies but not those who have private insurance. This bill includes privately-insured individuals and families, as well as the Ohio Public Retirement Systems. The bill would not apply to individuals covered by benefit plans including health plans regulated under the Employee Retirement Income Security Act of 1974 (ERISA), federal employees who participate in the Federal Employees Health Benefits Program, and individuals who pay for their prescription drugs and medical equipment without using an insurance benefit. The PAC in support of Issue 2 was funded by the AIDS Healthcare Foundation, a California-based non-profit, whose president, Michael Weinstein, is known for being litigious, having filed 52 lawsuits against government agencies in multiple states. This bill is not sponsored by out-of-state individuals or groups. Issue 2 would have required taxpayers in Ohio to pay the legal fees of the measure's sponsors if the bill was challenged in court. My version of the bill does not include this provision.

According to a Consumer Reports survey, 22% of Americans who regularly take prescription drugs saw the price of their meds increase in the past year. Of these, about a third said they paid at least \$50 more per month. The same report also found that rising prescription drug prices lead to patients rationing their own meds by not taking them as often as they should. They split their pills without first talking with a doctor or use expired medication and 20% did not fill their prescription at all. Americans pay more for medication than other industrialized nations. We subsidize the costs of research and development for medication while other nations reap the rewards by purchasing medication for pennies on the dollar. This is completely unacceptable.

The pharmaceutical companies are taking advantage of Ohioans, especially our most vulnerable populations. It is time that we take a stand against corporate greed and put a plan in place that will make medication affordable for all Ohioans. It is imperative that we address this issue in order to prevent drug companies from pricing people out of their health and their lives.

Chairman Burke and members of Health, Human Services and Medicaid
Committee, I ask for the favorable passage of Senate Bill 253 and I
would be happy to answer any questions that you have at this time.