May 25, 2016

Dear California Voter:

I am writing on behalf of 3.3 million California members to express AARP’s support for the California Drug Price Relief Act, a 2016 ballot initiative that will require the State of California to pay no more for prescription drugs than is paid for the same medication by the U.S. Department of Veterans Affairs, which provides healthcare services to nearly 22 million U.S. military veterans.

AARP believes strongly that all people should have access to affordable prescription medications, and the California Drug Price Relief Act represents an important step in that direction for Californians.

The fact is that prescription drug prices in this country continue to skyrocket, with average annual cost of widely-used individual specialty drugs recently estimated at $53,000 – which is greater than the nation’s median household income ($52,000) and almost three-and-a-half times larger than the average annual Social Security benefit of $15,000. [Source: “Rx Price Watch,” AARP Public Policy Institute]

Older persons are particularly vulnerable to high drug costs, not only because millions live on limited incomes but also because nearly two-thirds use three or more prescriptions on a regular basis. These costs are not just a matter of inconvenience – they have real health consequences. A recent survey found that 35% of U. S. voters had not filled a prescription due to cost.

Our members are keenly aware of this issue and are very concerned. A recently released AARP survey found that 81% of adults age 50+ believe that prescription drug prices are too high, and 87% say they expect their elected representatives to do something about it.

The California Drug Price Relief Act would help to control prescription drug costs for Californians by:

• Requiring the State and its agencies, including but not limited to the California Department of Healthcare Services, to enter into agreements with manufacturers of any prescription drugs
purchased by the state such that the net cost is the same or less than the lowest price paid for the same drug by the United States Department of Veterans Affairs.

- Applying this price ceiling to all programs where the State of California or a state administrative agency is the ultimate payer of prescription drugs; and

- Requiring the State of California and affected entities to comply by July 1, 2017.

Californians – especially those over 50 – simply cannot wait any longer for their leaders to act, and since it clear that drug manufacturers will not act on their own, voters must take the initiative. AARP believes that the high costs associated with prescription drugs are unsustainable for patients, employers, and the California economy. That is why we support the California Drug Price Relief Act.

If you have any questions about AARP’s support for this initiative, please contact Blanca Castro at (916) 556-3021

Sincerely,

Nancy McPherson
California State Director
AARP