

## **Ballot Simplification Committee - DRAFT for Consideration on Monday, July 29, 2013**

### **Prescription Drug Purchasing (*working title only, subject to change*)**

#### **The Way It Is Now:**

San Francisco purchases prescription drugs for medical programs run by the City. San Francisco runs inpatient treatment programs at San Francisco General Hospital, Laguna Honda Hospital, and the San Francisco jail. It also runs outpatient treatment programs at City hospitals and clinics.

San Francisco spends over \$23 million per year on prescription drugs. This includes approximately \$3.5 million dollars annually on medications to treat inpatients with HIV and related conditions.

City law authorizes San Francisco's Public Health Department to use outside companies to negotiate prices and purchase prescription drugs. For inpatient medications, the City uses an outside company that negotiates drug prices with drug manufacturers. For outpatient medications, the City participates in a federal program that offers a significant discount on prescription drugs. To ensure that it remains eligible for this program, the City uses a federally selected company to negotiate prices and purchase outpatient prescription drugs.

#### **The Proposal:**

The proposed measure would make it City policy to employ all available opportunities to reduce the price of prescription drugs. It would establish as City policy that San Francisco negotiate directly with drug manufacturers and seek to pay less for essential medications. It would also establish as City policy that San Francisco ask its representatives in state and federal government to sponsor legislation to reduce by one third current drug prices paid by all levels of government.

**A "YES" Vote Means:** If you vote "yes," you want to require the Board of Supervisors to study the policy and determine what action, if any, would be appropriate to implement the policy.

**A "NO" Vote Means:** If you vote "no," you do not want to make this change.

word count: 280 [suggested word limit: 300]