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Proposition 61: The Battle Over Prescription Drug Regulation in California

Last August, Mylan (the medical company that produces EpiPens) made headlines after EpiPen prices were increased by over 400%, leading to widespread outrage, especially from lower income families and individuals who realized that these increased prices would result in increased medical expenses. In 2015, a drug known as Daraprim, used not only to treat parasitic infections, but also to bolster the weakened immune systems of people with HIV and AIDS (Colliver), experienced a similar yet even more severe price hike (something along the lines of a 5000% increase). These events are only two of numerous recent examples of an issue inherent in the medical system in the United States: the affordability of a for-profit system. While burgeoning medication prices are not the only problem with the medical health care system in the United States, they might be the most visible one, and it is not surprising that people are beginning to look for ways to curb the some of the excesses of companies like Mylan and Turing Pharmaceuticals (the producers of Daraprim).

The issue of health care in America--who pays for it, how *much* certain people pay for it, and so on--has, in recent years, become one of the most pressing (and often controversial) topics on the national stage. Some individuals would prefer health care to be entirely publicly funded--a system of what is generally referred to as *universal health care* (such as the systems in countries like Canada or Switzerland)--while other Americans are more or less contented with the largely privatized system we have at present, and argue (often with great vehemence) against the suggestion of public health care. The issue at the heart of this controversy may be summed up as a disagreement between two fundamental

beliefs: the belief that healthcare is a *right* (and that it therefore ought to be accessible to everyone, regardless of ability to pay), and the belief that healthcare is a *service*, provided to the people by private companies, who have no particular responsibility towards those they serve other than that created by their financial compensation. While the bulk of this conflict centers around the issue of health care as a *whole*, the arguments it poses may certainly be extended to the debate over prescription drug prices--and over Prop 61.

To a great number of people in the California, especially those who struggle with medical costs (with or without insurance), the prospect of state price limits on certain medical drugs would initially appear to be a practical godsend. It was, therefore, initially puzzling as to why the very first result that comes up when I first typed "*prop 61 california 2016*" into reliable old Google was a sponsored link to the "Vote No On 61" page. Proposition 61 (which will be one of the propositions voted upon by California residents during the November general elections) states that, should it be passed, it will prohibit "state agencies from paying more for a prescription drug than the lowest price paid for the same drug by the United States Department of Veterans Affairs" (according to California Secretary of State Alex Padilla's webpage). This would, in theory, lower the price of prescription drugs, bringing down often-insurmountable medical costs for the average Californian citizen. However, despite the seeming innocuity of Prop 61, it has somehow managed to become one of the most controversial; I have seen more ads on TV (featuring endless earnest-sounding doctors and solemn-voiced veterans) condemning this proposition than I have seen on virtually any other up for vote this election.

The criticism of Proposition 61 presents itself on a variety of fronts: Prop 61 will indirectly push up prices for veterans, it will exclude too many companies from fiscal responsibility and too many citizens from benefiting from the lowered prices, and, in what closely resembles something I might have read out of my economics textbook, the effective price ceiling that Prop 61 intends to impose could

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"reduce patient access to needed medicine." The first argument has, in the Anti-61 campaign, obviously been the favored one, present in so very many of the TV ads mentioned earlier--though Prop 61 won't, so

far as I can see, actually increase prices *directly*, but will affect veterans by taking away their special privilege of lower medication prices. The exemptions argument has also been fairly strong, especially in regards to the number of companies (including, disturbingly enough, the AIDS Healthcare Foundation currently being directed by Michael Weinstein--the original proposer of the proposition). In addition, both parties are quick to point out who's supporting which side: a number of notable veteran's associations in California oppose the measure (along with a long list of state and local medical organizations), while the Pro-61 camp has bipartisan support from numerous politicians.

At this point in time, it is difficult to tell exactly how the vote will go. It is certainly very true that the rising costs of drugs necessary to medical care are a deeply pertinent issue, and that many citizens would likely benefit from reforms in the nature of Proposition 61. However, it is equally true that similar measures in the past have failed to pass into law; one example of this is an ill-fated California Senate bill (formally SB-1010), which, had it been successful, would have forced drug manufacturers to alert "state purchasers, health care service plans, health insurers, and pharmacy benefit managers" prior to any changes in the prices of their products. Such a measure would have encouraged transparency and discouraged over-enthusiastic price-upping, but the bill was eventually withdrawn after its initial proposer (Senator Ed Hernandez) felt that some of the amendments added to the bill were detracting from his original intentions. Should the failure of SB-1010 be seen as a prediction of the fate of Prop 61? Only time, of course, can really tell.

In addition, the multiplicity of anti-Prop 61 materials on television, the Internet, and countless other places might have done their job. The fact that those opposing the proposition are so very much more vocal (and, from all appearances, so much more well-funded) than their opponents means that for

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most people (especially those that don't have the time or the inclination to read the detailed explanation of the ballot propositions in the State-issued information booklet) the bulk of their information on Prop 61 will have been largely one sided. While medical costs are a problem for virtually everyone, and very few persons could reasonably *support* the astronomical growth of medical costs due to drug prices, it is very

likely that the prevalence of anti-61 materials, combined with the flawed nature of the proposal itself, will bar Prop 61 from being voted into law.

Just like so many other people this election season, I myself am not entirely sure on where I stand with Proposition 61. It's alluring, in one sense, to think of the benefit capping off prescription drug prices might do for the public (the Pro-61 webpage's slogan, "Stop Pharma Greed," is a case in point), especially the lower-to-middling income classes of the public. I am highly conscious of the too-often-astronomical costs of medical expenses (regardless of insurance), and I do truly believe that the aim of Prop 61--to at least try to lower those expenses for some people--is a good one. At the same time, I am aware of the too-numerous flaws of the proposition, and recognize that it might well be going about things the wrong way. Some of the more moderate criticism of Prop 61 has tried to examine its effectiveness--would it *really* make paying for medical expenses easier for everyone? Some have suggested a system of transparency (similar to what the unfortunate SB-1010 bill would have done, which is to say, made it so that sudden price changes would have to be publicized and justified) as being better than a blanket price rule. Personally, I would (if I *could* vote yet, which, not being eighteen, I cannot) lean towards voting yes--even with the number of practical flaws evident in Proposition 61, I support its essential ideal, and (perhaps most importantly) I believe that the potential failure of this measure could be used against any future propositions with similar intentions. Regardless of Prop 61's problems, a defeat by a significant margin could discourage policy makers from working towards other medical-cost-reducing measures, which does, eventually, lead me to personally support Proposition 61.

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