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July 21, 2015

Hon. Mike DeWine
Ohio Attorney General
30 E. Broad Street
Columbus, Ohio 43215

RECEIVED

JUL 22 2015

**Ohio Attorney General
Constitutional Offices Section**

Re: "Ohio Drug Price Relief Act" Summary Petition

Dear Attorney General DeWine:

I am hereby filing with your office on behalf of petitioners, and pursuant to R.C. §3519.01(A), a petition to approve a summary of a statewide initiative to enact a state law, titled the Ohio Drug Price Relief Act. The petition contains 2,506 signatures of electors on 73 part-petitions and the summary and full text of the proposed law. A list of the number of part-petitions and signatures separated by counties is attached to this correspondence.

Please contact me if you have any questions. Thank you.

Very truly yours,



Donald J. McTigue

Encls.

BOX TOTAL
STATE OF OHIO

OHIO DRUG PRICE RELIEF ACT

COUNTY	PETITION SECTIONS	TOTAL SIGNATURES
LORAIN	16	563
CUYAHOGA	57	1,943
TOTALS	73	2,506

INITIATIVE PETITION

To the Attorney General of Ohio: Pursuant to Ohio Revised Code § 3519.01(A), the undersigned electors of the State of Ohio, numbering in excess of one thousand, hereby submit to you the full text of a proposed law and a summary of the same.

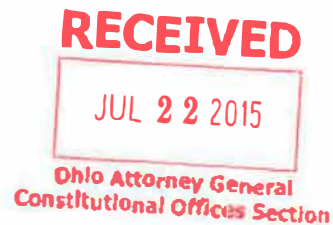
TITLE

Ohio Drug Price Relief Act

SUMMARY

The Act would enact Section 194.01 of the Ohio Revised Code to require that notwithstanding any other provision of law and in so far as permissible under federal law, the State of Ohio shall not enter into any agreement for the purchase of prescription drugs or agree to pay, directly or indirectly, for prescription drugs, including where the state is the ultimate payer, unless the net cost is the same or less than the lowest price paid for the same drug by the U. S. Department of Veterans Affairs. Among other provisions, the Act also:

- Sets forth the title of the Act as "The Ohio Drug Price Relief Act."
- Sets forth Findings and Declarations and Purposes and Intent of the Act.
- Sets forth factors in determining "net cost."
- Authorizes state departments, agencies and other state entities to adopt administrative rules to implement the provisions of the Act.
- Provide that the Act shall liberally construed to effectuate its purpose.
- Provide that if any provision of the Act is held to be invalid, the remaining provisions shall remain in effect.
- Provide that if the Act is challenged in court, it shall be defended by the Attorney General.
- Declare that the committee of individuals responsible for circulation of the petition ("the proponents") have a direct and personal stake in defending the Act and any one or more of them may do so in court if challenged. Provide that the proponents shall be indemnified by the state for their reasonable attorney's fees and expenses in defending against a legal challenge to the Act. Provide that the proponents shall be jointly and severally liable to pay a civil fine of \$10,000 to the state if the Act or any of its provisions are held by a court to be unenforceable, but shall have no other personal liability.
- Provide that in the event that the Act and another law are adopted by the voters at the same election and contain conflicting provisions and the Act received less votes, the non-conflicting provisions of the Act shall take effect.
- Require the General Assembly to enact any additional laws and the Governor to take any additional actions required to promptly implement the Act.



FULL TEXT OF LAW

Be it Enacted by the People of the State of Ohio that the following chapter and section are added to Title I of the Revised Code.

Chapter 194: Drug Price Relief

Section 194.01

(A) Title.

This Act shall be known as "The Ohio Drug Price Relief Act" (the "Act").

(B) Findings and Declarations.

The People of the State of Ohio hereby find and declare all of the following:

- (1) Prescription drug costs have been, and continue to be, one of the greatest drivers of rising health care costs in Ohio.
- (2) Nationally, prescription drug spending increased more than 800 percent between 1990 and 2013, making it one of the fastest growing segments of health care.
- (3) Spending on specialty medications, such as those used to treat HIV/AIDS, Hepatitis C, and cancers, are rising faster than other types of medications. In 2014 alone, total spending on specialty medications increased by more than 23 percent.
- (4) The pharmaceutical industry's practice of charging inflated drug prices has resulted in pharmaceutical company profits exceeding those of even the oil and investment banking industries.
- (5) Inflated drug pricing has led to drug companies lavishing excessive pay on their executives.
- (6) Excessively priced drugs continue to be an unnecessary burden on Ohio taxpayers that ultimately results in cuts to health care services and providers for people in need.
- (7) Although Ohio has engaged in efforts to reduce prescription drug costs through rebates, drug manufacturers are still able to charge the State more than other government payers for the same medications, resulting in a dramatic imbalance that must be rectified.
- (8) If Ohio is able to pay the same prices for prescription drugs as the amounts paid by the United States Department of Veterans Affairs, it would result in significant savings to Ohio and its taxpayers. This Act is necessary and appropriate to address these public concerns.

(C) Purposes and Intent.

The People of the State of Ohio hereby declare the following purposes and intent in enacting this Act:

- (1) To enable the State of Ohio to pay the same prices for prescription drugs as the prices paid by the United States Department of Veterans Affairs, thus rectifying the imbalance among government payers.
- (2) To enable significant cost savings to Ohio and its taxpayers for prescription drugs, thus helping to stem the tide of rising health care costs in Ohio.
- (3) To provide for the Act's proper legal defense should it be adopted and thereafter challenged in court.

(D) Drug Pricing.

- (1) Notwithstanding any other provision of law and insofar as may be permissible under federal law, neither the State of Ohio, nor any state department, agency or other state entity, including, but not limited to, the Ohio Department of Aging, the Ohio Department of Health, the Ohio Department of Insurance, the Ohio Department of Jobs and Family Services, and the Ohio Department of Medicaid, shall enter into any agreement with the manufacturer of any drug for the purchase of a prescribed drug or agree to pay, directly or indirectly, for a prescribed drug, unless the net cost of the drug, inclusive of cash discounts, free goods, volume discounts, rebates, or any other discounts or credits, as determined by the purchasing department, agency or entity, is the same as or less than the lowest price paid for the same drug by the United States Department of Veterans Affairs.
- (2) The price ceiling described in subsection (1) above also shall apply to all programs where the State of Ohio or any state department, agency or other state entity is the ultimate payer for the drug, even if it did not purchase the drug directly. This includes, but is not limited to, the Ohio Best Rx Program and the Ohio HIV Drug Assistance Program. In addition to agreements for any cash discounts, free goods, volume discounts, rebates, or any other discounts or credits already in place for these programs, the responsible department, agency or entity shall enter into additional agreements with drug manufacturers for further price reductions so that the net cost of the drug, as determined by the purchasing department, agency or entity, is the same as or less than the lowest price paid for the same drug by the United States Department of Veterans Affairs.
- (3) All state departments, agencies and other state entities that enter into one or more agreements with the manufacturer of any drug for the purchase of prescribed drugs or agreement to pay directly or indirectly for prescribed drugs shall implement this section no later than July 1, 2017.
- (4) Each such department, agency or other state entity, may adopt administrative rules to implement the provisions of this section and may seek any waivers of federal law, rule, or regulation necessary to implement the provisions of this section.
- (5) The General Assembly shall enact any additional laws and the Governor shall take any additional actions required to promptly carry out the provisions of this section.

(E) Liberal Construction.

This Act shall be liberally construed to effectuate its purpose.

(F) Severability.

If any provision of this Act, or part thereof, or the applicability of any provision or part to any person or circumstances, is for any reason held to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions and parts of this Act are severable. If this Act and another law are approved by the voters at the same election with one or more conflicting provisions and this Act receives fewer votes, the non-conflicting provisions of this Act shall go into effect.

(G) Legal Defense.

If any provision of this Act is challenged in court, it shall be defended by the Attorney General of Ohio. The People of Ohio, by enacting this Act, hereby declare that the committee of individuals

responsible for the circulation of the petition proposing this Act ("the Proponents") have a direct and personal stake in defending this Act from constitutional or other challenges. In the event of a challenge, any one or more of the Act's Proponents shall be entitled to assert their direct and personal stake by defending the Act's validity in any court of law, including on appeal. The Proponents shall be indemnified by the State of Ohio for their reasonable attorney's fees and expenses incurred in defending the validity of the challenged Act. In the event that the Act or any of its provisions or parts are held by a court of law, after exhaustion of any appeals, to be unenforceable as being in conflict with other statutory or constitutional provisions, the Proponents shall be jointly and severally liable to pay a civil fine of \$10,000 to the State of Ohio, but shall have no other personal liability to any person or entity.

STATEMENT OF CIRCULATOR

I, Estelle Meade, declare under penalty of election falsification that I am the circulator of the foregoing petition paper containing the signatures of 2 electors, that the signatures appended hereto were made and appended in my presence on the date set opposite each respective name, and are the signatures of the persons whose names they purport to be or of attorneys in fact acting pursuant to section 3501.382 of the Revised Code, and that the electors signing this petition did so with knowledge of the contents of same. I am employed to circulate this petition by

Ohio Petitioning Partners LLC
3909 Pensacola Cleveland Ohio 44109
(Name and address of employer). (The preceding sentence shall be completed as required by section 3501.38 of the Revised Code if the circulator is being employed to circulate the petition.)

I further declare under penalty of election falsification that I witnessed the affixing of every signature to the foregoing petition paper, that all signers were to the best of my knowledge and belief qualified to sign, and that every signature is to the best of my knowledge and belief the signature of the person whose signature it purports to be or of an attorney in fact acting pursuant to section 3501.382 of the Revised Code.

Estelle Meade
(Signed)

2058 W. 99th
(Address of circulator's permanent residence in this state) Number and Street, Road or Rural Route

Cleveland
City, Village or Township

Ohio 44102
State Zip Code

**WHOEVER COMMITS ELECTION FALSIFICATION IS GUILTY
OF A FELONY OF THE FIFTH DEGREE.**