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BALLOT ISSUE'S \$400 MILLION SAVINGS CLAIM CALLED "SIMPLY FALSE" *Former State Budget Chief says ODPRA backers ignore drug discounts Ohio already receives*

Columbus, OH – An [analysis](#) by former Ohio Budget Director Greg Browning has found that a key claim by proponents of the so-called *Ohio Drug Price Relief Act* is “simply false and without merit.”

Backers of the November ballot issue have repeatedly asserted that passing the initiative would save Ohio at least \$400 million per year.¹ But Browning, who served as Ohio Budget Director from 1991-98, says that in making that claim, proponents appear to have “ignored the significant discounts Ohio currently receives on prescription drugs” and thereby “used faulty logic involving the most basic of relevant policy and fiscal realities.”

In FY 2015, for example, the state spent a *net* of approximately \$1.5 billion on prescription drugs for Medicaid recipients. To reach the alleged “\$400 million” in savings, ODPRA backers appear to have deducted approximately 20 percent (close to the federally mandated VA discount of 24 percent) from that \$1.5 billion figure. They also appear to have made similar faulty assumptions concerning savings that could be realized from non-Medicaid drug purchases, which are already being discounted significantly.

In reality, however, Ohio’s expenditure on Medicaid drugs in 2015 was over \$2 billion. But thanks to a federally mandated Medicaid discount of 23 percent on brand name drugs and significant additional discounts the state negotiated with manufacturers, hundreds of millions of dollars were rebated to Ohio, thus reducing the state’s actual expenditure to \$1.5 billion. In other words, Ohio is already receiving a discount of well over 25 percent on the vast majority of the drugs it purchases—a fact that ODPRA proponents either don’t know or are deliberately choosing to ignore.

Said Dale Butland, Communications Director for Ohioans Against the Deceptive Rx Ballot Issue: “This is a perfect example of why the so-called Ohio Drug Price Relief Act is deceptive and misleading. ODPRA proponents want voters to believe that while the VA receives a 24 percent discount on the drugs it purchases, our state government pays full price. Either they don’t know that Ohio is already getting a huge discount, or they’re intentionally misleading the voters. But either way, their claim that passing the ballot initiative could save taxpayers an additional \$400 million per year—on top of the at least \$500 million we’re already saving—is utterly preposterous. The truth is that both the VA and the state of Ohio receive significant mandatory discounts on the drugs they purchase, and both negotiate significant additional discounts with drug manufacturers. Ballot issue proponents are great at making wild claims, but not so good at providing evidence to back them up. It’s time they were held to account. How, exactly, did they come up with their \$400 million savings figure? It’s time they showed their math.”

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¹ Laura Hancock, “Group Behind Drug Price Ballot Issue Says Ohio Could Save \$400 Million a Year,” *Cleveland.com*, accessed June 27, 2017, http://www.cleveland.com/open/index.ssf/2017/06/group_behind_drug_price_ballot.html.