



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE

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Three Proposed Initiatives Enter Circulation

1. *Prescription Drug Program. Initiative Statute.*
2. *Prescription Drugs. Initiative Statute.*
3. *Prescription Drugs Act. Initiative Statute.*

SACRAMENTO --- The Secretary of State's Office announced today that the proponent of three new initiatives has received clearance to begin collecting petition signatures for his measures.

The Attorney General's official titles and summaries are as follows:

PRESCRIPTION DRUG PROGRAM. INITIATIVE STATUTE.

Creates prescription drug discount program available to all Californians, regardless of income or insurance status. Authorizes Boards of Administration of Public Employees Retirements System to negotiate contracts for price discounts on prescription drugs and allows enrollees to purchase prescription drugs at discounted prices from participating pharmacies. Requires continuous open enrollment and outreach activities. Imposes annual licensing fees on prescription drug manufacturers and their marketing representatives. Requires that money collected from licensing fees and fines pay for costs of administering program up to specified amount. Compels licensees to disclose health risks of prescription drugs to physicians.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Ongoing state costs, probably less than \$10 million annually, for administration and outreach activities by PERS and the Board of Pharmacy for new pharmacy assistance and licensing programs established by this initiative. These ongoing costs would probably be offset by licensing revenues and fines. Unknown savings on state and county health program costs due to the availability of drug discounts.

PRESCRIPTION DRUGS. INITIATIVE STATUTE.

Creates prescription drug discount program available to all Californians, regardless of income or insurance status. Authorizes Board of Administration of Public Employees Retirement System to negotiate contracts for price discounts on prescription drugs. Allows enrollees to purchase discounted prescription drugs from participating pharmacies. Requires continuous open enrollment and outreach. Imposes annual licensing fees on drug manufacturers for profiteering, as defined. Requires that fees and fines be applied to costs of program up to specified amount. Compels licensees to disclose health risks of prescription drugs to physicians.

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Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Ongoing state costs, probably less than \$10 million annually, for administration and outreach activities by PERS and the Board of Pharmacy for new pharmacy assistance and licensing programs established by this initiative.

PRESCRIPTION DRUGS ACT. INITIATIVE STATUTE.

Creates prescription drug discount program for all Californians, regardless of income/insurance status. Authorizes Board of Administration of Public Employees Retirement System to negotiate contracts for discounts on prescription drugs. Allows enrollees to purchase discounted prescription drugs from participating pharmacies. Requires continuous open enrollment and outreach. Imposes annual licensing fees on drug manufacturers and their marketing representatives. Requires that fees and fines be applied to program costs up to specified amount. Compels licensees to disclose health risks of prescription drugs to physicians. Requires licensees to disclose health risks of prescription drugs to physicians. Requires licensees to disclose gifts to physicians valued at more than ten dollars.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Ongoing state costs, probably less than \$10 million annually, for administration and outreach activities by PERS and the Board of Pharmacy for new pharmacy assistance and licensing programs established by this initiative. These ongoing costs would probably be offset by licensing revenues and fines. Unknown savings on state and county health program costs due to the availability of drug discounts and unknown costs and offsetting revenues from the anti-profiteering provisions.

The proponent of all three measures, Gerald Flanagan of Election Watchdog, must collect 373,816 signatures of registered voters for each measure, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify his measures. The 150-day deadline to circulate petitions for these measures is August 15, 2005. The initiative proponent can be reached at 310-392-0522 ext. 324.

For complete texts, titles and summaries, and circulation calendars, please contact the Secretary of State's Press Office at 916-653-6575.