

CITY AND COUNTY OF SAN FRANCISCO



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TO ALL INTERESTED PARTIES:

Attached is the City Attorney's title and summary for the proposed local initiative measure designated by the Department of Elections as 12-03. In preparing this title and summary, the City Attorney makes no representation regarding the merits or legality of the proposed legislation. Nor does the City Attorney verify or confirm any factual or legal assertion made in the proposal. The title and summary is presented as a "true and impartial statement of the purpose of the proposed measure." Elections Code § 9203.

Very truly yours,

DENNIS J. HERRERA  
City Attorney

A handwritten signature in cursive script, appearing to read "Mollie Lee".

Mollie Lee  
Deputy City Attorney

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DEPARTMENT OF ELECTIONS

## Prescription Drug Purchasing

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 the City's hospitals and clinics. For example, San Francisco provides prescription drugs to many participants in the Healthy San Francisco program, which offers health care to uninsured San Francisco residents who meet income requirements.

San Francisco spends over \$23 million per year on prescription drugs. This includes approximately \$3.5 million dollars annually on antiretroviral 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, including medications for inmates, 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 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 directly negotiate with drug manufacturers and seek to pay less for essential medications that the City purchases. 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.

If the proposed measure were adopted, the Board of Supervisors would be required to study the policy and determine what action, if any, would be appropriate to implement the policy.

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