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For Immediate Release

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Labor Releases Letter to the Governor That Addresses Elephant in the Room: The Pharmaceutical Industry

Today, Art Pulaski, Executive Secretary-Treasurer of the California Labor Federation, sent a letter to Governor Arnold Schwarzenegger that calls for the Governor to address why the highly profitable pharmaceutical industry is absolved of any responsibility in his healthcare plan.

This is especially relevant after the Governor's office made comparisons between the Governor's plan and the health care plans of the Democratic Presidential candidates in yesterday's San Francisco Chronicle. Those Democratic plans not only make health care more affordable (not less affordable) for Americans, but also empower the federal government to negotiate with drug companies to control costs. Pulaski would like the Governor to reveal why the pharmaceutical companies are absolved of all responsibility for sharing costs in his plan.

The letter reads:

Dear Governor Schwarzenegger,

While we appreciate the fact that you have decided to make health care the cornerstone of your time in office and we have attempted to work with you on real reform, we believe it is time to address one of the elephants in the room: The health care plan you have proposed is not affordable for Californians in large part because it does nothing to address the cost of prescription drugs. Your plan, while mandating under the penalty of law that middle income California families pay between \$8,100 and \$13,100 for health care each year, requires no contributions and no "shared responsibility" from the prescription drug industry - one of the primary reasons health care costs are soaring in the first place.

In Wednesday's San Francisco Chronicle, your office was cited making comparisons between your plan and the health care plans of the Democratic presidential candidates. In addition to the fact that those candidates have committed to making their plans more - not less - affordable for middle income families, the Democratic plans empower the federal government to negotiate with drug companies to control costs and make health care more affordable to consumers.

Unlike those plans and AB 8, your proposal fails to do anything to make prescription drugs affordable for Californians. Rather than allowing the state to negotiate bulk discounts for members

of a new state health care purchasing pool, your proposal guarantees drug companies a new stream of very profitable business and asks nothing of them in return. Coupled with your recent defunding of the California Discount Prescription Drug Program, this refusal to take on the pharmaceutical industry brings into question the seriousness of your commitment to truly lowering the cost of health care.

We believe that real health care reform is predicated on taking steps to make health care more affordable. To do this you have to be willing to make sure the drug industry pay its fair share.

It is bad policy - and simply unfair - to force the financial burden for a health care plan on to low and moderate income California families. If your proposal is truly based on the premise of shared responsibility, we must ask why the highly profitable pharmaceutical industry is absolved of all accountability for its role in the rising cost of health care.

We look forward to your response to this crucial question. We remain committed to fighting for health care reform based on the fundamental principle of making quality health care more affordable.

Sincerely,

Art Pulaski

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