
RESERVE OFFICERS ASSOCIATION

Non-Disclosure of Drug Pricing Negotiated by the Departments of Defense and Veterans Affairs Resolution No. 17-07

WHEREAS, on the November 2016 California election ballot there was Proposition 61, which sought to require state agencies to pay no more for their drug purchases for state employees and other state medical recipients than those paid by the United States Department of Veterans Affairs; and

WHEREAS, Proposition 61 was opposed by over 30 California veteran organizations, because Proposition 61 would have been detrimental to California veterans and other Californians; and

WHEREAS, California voters aligned with veterans on this issue and overwhelmingly defeated Proposition 61; and

WHEREAS, currently there are efforts underway in Ohio, Maine, Vermont and Washington state, attempting to enact a policy like that defeated in California; and

WHEREAS, the Department of Veterans Affairs is the primary source of medications for those veterans who are eligible for and receive services based upon their past military service to our country; and

WHEREAS, the Department of Veterans Affairs, because of the magnitude of its drug purchases, is able to obtain discount pricing opportunities from the pharmaceutical industry by negotiating with drug manufacturers; and

WHEREAS, these lower pricing arrangements allow the Department of Veterans Affairs to continue to provide an adequate selection of pharmaceuticals to meet the medical treatment requirements of the veterans it serves; and

WHEREAS, this continual effort to require state governments to pay no more for their drug purchases for state medical recipients than those paid by the Department of Veterans Affairs, will cause the prices of drugs to veterans to go up; and

WHEREAS, previously similar efforts have been unsuccessfully tried by Congress in the 1990's and after they proved to be unworkable, they were removed by Congress; and

WHEREAS, the Department of Veterans Affairs stated that if California's Proposition 61 had passed it would have cost them an additional \$3.8 billion per year in increased drug prices and administrative costs; and

WHEREAS, if any of these ballot or legislative measures are adopted, it will probably cause the Department of Veterans Affairs, as well as the Department of Defense, to raise medication co-payments and/or reduce services based upon current budgetary constraints,

NOW, THEREFORE, BE IT RESOLVED that the Reserve Officers Association of the United States, chartered by Congress, urge the Congress to prohibit the Departments of Defense and Veterans Affairs from revealing to the public or state or local agencies, the drug prices they are able to negotiate with drug manufacturers.

Adopted by the National Convention, 23 July 2017
Source: Department of Golden West, 6 July 2017