



May 10, 2019

The Honorable Lorena Gonzalez
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 1468 (McCarty) Opioid Prevention and Rehabilitation Act – OPPOSE

Dear Assemblymember Gonzalez,

The California Retailers Association (CRA) and the National Association of Chain Drug Stores (NACDS) must oppose AB 1468 (McCarty). While we appreciate the author's intent to attempt to mitigate the opioid epidemic, we believe that the costs to pharmacies and patients far outweigh the benefits.

We appreciate the author taking our amendments to revise the definition of wholesaler to exclude pharmacy distribution centers that are licensed as wholesalers. Unfortunately, we must still oppose the bill because it can increase the cost of opioid medications for patients. As California seeks solutions to making healthcare affordable, imposing a tax on particular medications is counterintuitive to the broader policy discussions surrounding affordability. Further, California has taken several important steps to tackling the opioid epidemic, which have been appropriately funded through the State Budget process. As we look to increase funding for these critical programs, we must also consider the necessity of these medications for pain management, particularly for cancer patients and for patients following invasive surgeries, and consider the cost implications and access barriers this tax may create for underinsured populations.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 400,000 retail establishments with a gross domestic product of \$330 billion annually and employs over 3 million people—one fourth of California's total employment.

The National Association of Chain Drug Stores advances a pro-patient and pro-pharmacy agenda. For the ultimate benefit of the consumers served by the over 3,450 pharmacies of the nineteen (19) NACDS members operating in California, the mission of NACDS is to advance the interests and objectives of the chain community pharmacy industry, by fostering its growth.

For the reasons listed above, we must oppose AB 1468. Please do not hesitate to contact Jennifer Snyder with Capitol Advocacy at (916) 444-0400 if you have any questions.

Sincerely,



Rachel Michelin
President
California Retailers Association



Mary Staples
Director, State Government Affairs
National Association of Chain Drug Stores

Cc: The Honorable Kevin McCarty, Author
Members, Assembly Appropriations Committee