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Protect Patients Now Act, a 2024 Ballot Measure to Protect Public Health Care Funding, Reaches Crucial 25 Percent Signature Threshold

Act will close loophole that has allowed bad actors to misuse hundreds of millions in public funds meant for patients

Protect Patients Now Act has reached the 25 percent signature threshold to be on track for inclusion on the 2024 ballot

A July 2023 poll showed Californians support the measure by a 60% to 25% margin

LOS ANGELES – Today, the Protect CA Patients Now Act reached a critical 25 percent signature threshold for inclusion on the 2024 ballot - well ahead of schedule.

The initiative will close a major loophole in our safety net programs that has allowed poorly-run nonprofits to misuse and waste hundreds of millions of dollars meant for patients.

Exposing the Drug Pricing Scam:

Almost 30 years ago, lawmakers designed a federal drug discount program that aimed to help healthcare nonprofits treat more low-income patients. The program allows these nonprofits to buy prescription drugs at a steep discount and then be reimbursed by health plans at a much higher price. Under existing law, these nonprofits are supposed to use these taxpayer-generated profits to offer more healthcare benefits and serve more patients.

Unfortunately, some nonprofits are using the program to enrich themselves instead of focusing on treating patients. The Government Accountability Office (GAO) found that oversight of the

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program is “inadequate to ensure compliance with program rules,” and that steps need to be taken to “improve program integrity.” More troublingly, GAO found that, rather than being used to treat the neediest patients, discount drugs are frequently dispensed to “ineligible patients” which results in higher payments for the nonprofits.

While the extent of abuse in the drug discount program is not fully known, at least one participating pharmaceutical organization, AHF, led by safety net scammer Michael Weinstein, is reported to have severely abused the program. AHF has amassed hundreds of millions meant to help patients and instead spends it to further Mr. Weinstein’s own personal and political agenda.

Under Weinstein’s direction, AHF has used these funds to purchase luxury condominiums, fund ballot measure campaigns to block housing construction, put an elected politician on its payroll, and acquire low-income multi-tenant housing complexes and operate them as slums.

Weinstein’s blatant abuse of taxpayer money would normally be illegal, but because of loopholes and lack of oversight in the drug discount program, Weinstein has been able to abuse his group’s non-profit status to waste millions of dollars and avoid accountability.

And even in the face of widespread criticism from patients and health experts, Weinstein arrogantly says he will continue spending these taxpayer dollars inappropriately for as long as he is allowed to do so.

Californians can stop AHF and other bad actors by closing this loophole in the drug discount program.

Protect Patients Now Act will protect our care:

The Protect Patients Now Act will force the worst abusers of the drug discount program, like Weinstein’s AHF, back to the program’s original mission to provide healthcare to low-income patients. This measure focuses only on the program’s worst offenders, putting in place new accountability measures to ensure they are appropriately using taxpayer dollars.

The Act requires the program’s worst offenders like AHF and any others like it to spend 98% of their taxpayer-generated revenues on direct patient care. It also prevents them from overcharging government agencies for prescription drugs.

So long as these worst offenders meet these requirements, they can continue their health care operations.

But if these offenders continue to misuse taxpayer funds, the Protect Patients Now Act requires the state to take away their non-profit status and make them ineligible to keep getting paid using state taxpayer dollars.

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A poll conducted in July by widely respected pollster FM3 Research found that 60 percent of Californians would support the Protect Patients Now Act, with just 25% opposed. That support remained consistent after equal time was given to arguments for and against the measure.

How AHF and Weinstein has misused your tax dollars:

Rather than helping patients, through AHF Weinstein has amassed hundreds of millions of dollars to further his own political and personal priorities. Here are just some of the ways he has misspent money meant to help patients:

- Under Weinstein’s leadership, AHF has spent heavily to oppose affordable housing, including funding a local ballot measure that would have [blocked construction of housing](#) so Weinstein could preserve the view from his office. Weinstein sued the state in hopes of blocking laws that promote affordable housing. Leaders of the NAACP and housing advocates [have strongly condemned](#) Weinstein’s tactics that harm communities of color.
- Under Weinstein, AHF has spent \$113 million on ballot measure campaigns to stop housing construction, to repeal state laws that make it easier to build housing, to put price controls on all residential rental properties and other initiatives. Although voters have repeatedly rejected Weinstein’s initiatives, Weinstein recently vowed he will continue to dump millions every year on these campaigns. “We’ll do it again if we have to – and again and again and again,” he [told](#) reporters in 2023.
- According to Los Angeles Times reporting, tenants have described Weinstein’s AHF as a multi-billion dollar “[slumlord](#),” and under his leadership, his organization has [amassed](#) hundreds of serious health and safety citations for failing to provide adequate housing for their low-income tenants.
- A recent Los Angeles Times [report](#) showed that AHF paid disgraced L.A. City Councilmember-elect Kevin de León more than \$100,000 as a consultant. During this time, de León met with city officials advocating on behalf of the AHF without divulging his employment status.
- Weinstein’s AHF has used taxpayer money to purchase luxury condominiums and townhomes in California and Florida. When AHF bought a luxury Hollywood condominium in 2007, the listing described the 2-bedroom unit as “an entertainer’s dream” while Redfin currently estimates the unit’s value at \$1 million dollars. Between 2018 and 2022, AHF also [purchased](#) and then [sold](#) at a profit 10 luxury townhomes in South Florida.

Weinstein may be the most well-known abuser of the discount drug program, but the extreme lack of oversight and accountability means there may be others. Stop the prescription drug pricing scam and vote yes on the Protect Patients Now Act. Learn more at www.protectCpatientsnow.com.

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