

## Governor, Democrats reach drug deal

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California Gov. Arnold Schwarzenegger and Democrats have agreed on a plan to reduce costs of prescription drugs to help lower-income residents.

The plan, which must be approved by the state legislature, will force drug makers to cut prices, and is expected to benefit more than 5 million residents, who will get big discounts on their prescription drugs, reports The Los Angeles Times.

The plan is one of the governor's main re-election campaign efforts, says the report.

Under the plan, the drug industry will have three years to voluntarily negotiate discounts with the state for those who earn up to triple the federal poverty level, or about \$60,000 a year for a family of four. The discounts would be up to 40 percent on brand-name drugs and up to 60 percent on generics, the report said.

In the plan, Schwarzenegger accepted Democrats' demand that companies that do not offer sufficient discounts would be impeded from selling drugs through the state's Medi-Cal plan. In return, Democrats agreed to give the industry time to comply and the income limit.

The drug industry could fight the plan in court, the report said.

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