

OWL's FDA Drug Importation Task Force Testimony Friday, March 19, 2004

Good morning, I am Laurie Young, the executive director of the Older Women's League, the voice of midlife and older women. Founded in 1980 with chapters and at-large members across the country, OWL is the only national grassroots membership organization to focus solely on issues unique to women as we age. Thank you for the opportunity to speak today on an issue of critical importance to midlife and older women.

I must start my discussion of the issue of drug importation in the context of the economic security of midlife and older women, and how that impacts their access to affordable healthcare.

First: Midlife and older women are often challenged economically. Many will face economic hardship and poverty as they age.

Second: The failure to take charge of our healthcare system has led to what for many, is the inability to access affordable, appropriate healthcare. and

Third: It is now time to have a serious debate over the future of our nation's healthcare system and make the changes, we all know are long over due.

So, there are a few things we must acknowledge about **midlife and older women's lives** before we can talk about drug importation and its role in access to affordable healthcare.

Women still work in jobs that are less likely to provide comprehensive healthcare coverage. Only 68% of women aged 50 to 64 and 30% of women over the age of 65 receive employer-based health insurance.

Women are twice as likely as men to work in technical, sales and administrative support positions, which generally generate low-wages.

Older women live with the consequences of the ever-present wage gap, with women over age 50 earning only two thirds of what men over 50 earn.

Caregiving is also a key factor.

The typical informal caregiver, whether she is caring for a parent, partner, spouse, children or even grandchildren, is a married woman in her mid-forties to mid-fifties. She is employed full-time *and* spends an average of 20 hours per week on caregiving.¹

Many caregivers are members of the “sandwich generation,” caring for

children at home in addition to older family members. Some women belong to a “club sandwich generation,” with three or more layers of caregiving responsibilities. Women often curtail their professional opportunities, which can imperil financial security in old age. Caregiving doesn’t just impact the course of their career; it can often preclude them from working at all. Women spend an average of 12 years out of the workforce for family caregiving.² All told, roughly one quarter of caregivers who were previously employed, stopped working for an extended period of time.

This financial impact is especially troubling. Time out of the workforce diminishes women’s earning power. As a result, they are twice as likely as men to face poverty in retirement. Indeed, women account for more than 70 percent of the elderly poor.³

The major healthcare system for older women is Medicare.

In fact, the typical Medicare recipient is a woman. She's outlived her spouse, she's divorced, or she's never been married, and because she's

alone, she's more likely than a man to be living in poverty. She suffers from a long-term chronic illness—arthritis, osteoporosis, diabetes—and, chances are, she suffers from more than one. She spends an average of \$260 or more a month on out-of-pocket health care costs. And though she may be living in her own home today, her poor health and the lack of help in managing her daily affairs will probably require her to seek long-term care. And yet, gaps exist in Medicare coverage that disadvantage midlife and older women in light of their economic circumstances.

Older women are not protected from high out-of-pocket expenses and

Because older women are more likely to live in poverty, they are more likely to spend a greater portion of their income on health care. The average woman spends 20 percent of her income on out-of-pocket health care services -- including prescription drugs and supplemental insurance. The older and poorer the woman, the higher her out-of-pocket health care costs. Poor women without supplemental insurance spend **almost half** of their income on health care costs.

Clearly, one major challenge that older women face is the increasing cost

of healthcare. Our healthcare system is placing a huge burden on women with the double-digit inflationary costs of healthcare coverage and the **continuing** lack of a comprehensive, universal and defined prescription drug benefit within Medicare.

Nearly 80 percent of women on Medicare use prescription drugs regularly.

And because women have roughly half of the retirement income of men, drug costs consume a much larger share of our already-limited income.

Our tendency toward chronic illnesses— which are often treated with prescription drugs—as well as a longer lifespan, increases our reliance on these life-sustaining medications and presents a huge affordability issue for many older women.

Importation

There is no wonder that some older women are turning to filling prescriptions in Canada as a method of managing their healthcare costs.

The success of importing prescription drugs from Canadian pharmacies has pushed localities and states to pursue bulk purchasing for state employees and retirees as a method of cost management during this period of exploding costs. Many OWL members have used drug importation for

several years and are angry about the reluctance of the FDA to propose methods of making what is becoming a common practice, legal. Some OWL members believe that there is a cartel in this country, which stands in the way of making prescription drugs available at affordable rates. The posing going on in the country needs to stop. The Congress needs to direct the FDA to propose methods of safe importation and the FDA needs to propose a comprehensive plan to Congress. It is time for each body to stop waiting for the other to take action. We know that thousands of Americans get their medications outside the country.

Older women in this country should not be faced with ominous choices between life preserving medications and other costs of living. As I've shown, the reality is that many women will face aging with inadequate financial resources. The choices we make in public policy make a strong statement of how we value the lives of older women. It is time to send a message to your mothers, your grandmothers, your sisters and daughters that their futures and lives are valuable; and that you will develop the mechanisms for access to affordable and quality healthcare.

Thank you.

