

December 8, 2017

Dear House and Senate Conferees:

We, the undersigned organizations, write to express our support for the medical expense deduction provision included in the Senate-passed “Tax Cuts and Jobs Act of 2017” and urge its inclusion in the final version of the bill. We believe that every effort should be made to maintain the medical expense deduction and to keep the threshold for the deduction as low as possible to help protect people with high medical costs.

The Senate legislation delays the tax increase from 7.5 percent to 10 percent of the income threshold after which medical expenses can be deducted on itemized returns. We support this delay as a needed, immediate step in the right direction to permanently restore the tax threshold for all Americans with high out-of-pocket medical costs.

For the approximately 8.8 million Americans who annually take this deduction, it provides important tax relief which helps offset the costs of acute and chronic medical conditions for older Americans, children, pregnant women, individuals with disabilities, and other adults as well as the costs associated with long term care and assisted living. Medical expenses that qualify for this deduction can include amounts paid for prevention, diagnosis, treatment, equipment, qualified long-term care services costs as well as long term care insurance premiums. Low and middle-income families and individuals with significant disabilities face a constant stream of deductibles and high co-pays, and also pay out-of-pocket for various services and devices that enable the individual to live a productive life in the community.

In addition, the medical expense deduction- with a threshold based on a percentage of income- is truly middle class tax relief. According to 2014 estimated IRS data:

- 6.3 million (69%) of those claiming the deduction reported income of \$75,000 or less;
- 4.5 million (49%) of those claiming it reported income of \$50,000 or less;
- 55% of all households claiming the deduction (almost 5 million taxpayers) had at least one member of the household age 65 or older; and
- At least 18% of all returns claiming the deduction had at least one member of the household who was age 50-64.

Even with Medicare, beneficiaries spend a large portion of their income on out-of-pocket expenses. The average Medicare beneficiary spends about \$5,680 out-of-pocket on medical care. Furthermore, older Americans often face high costs for long-term services and support, which are generally not covered by Medicare, as well as hospitalizations and prescription drugs. Tax relief in this area can provide needed resources, especially important to middle income seniors with high medical costs.

We once again thank Senators Collins, Portman and Brown for their work to protect this important tax deduction and encourage Conferees to retain the Senate-passed language in the

final bill. If you have questions or need additional information you can reach out to Brendan Rose at 202-434-3922 or [brose@aarp.org](mailto:brose@aarp.org).

Sincerely,

AARP

ACCSES

Alliance for Aging Research

ALS Association

Alzheimer's Association

Alzheimer's Impact Movement

American Association on Health and Disability

American Health Care Association

American Psychological Association

American Seniors Housing Association

Argentum

Autistic Self Advocacy Network

Autism Speaks

Cancer Support Community

Christopher and Dana Reeve Foundation

Critical Mass: The Young Adult Cancer Alliance

Cystic Fibrosis Foundation

Disability Rights Education and Defense Fund

Disability Rights Legal Center

FORCE: Facing Our Risk of Cancer Empowered

Healthywomen

Lakeshore Foundation

LeadingAge

Lupus Foundation of America

Lymphoma Research Foundation

March of Dimes

Medicare Rights Center

The Michael J. Fox Foundation for Parkinson's Research

National Adult Day Services Association

National Alliance on Mental Illness

National Association of Nutrition and Aging Services Programs (NANASP)

National Association of ACOs

National Center for Assisted Living

National Coalition for Cancer Survivorship

National Committee to Preserve Social Security and Medicare (NCPSSM)

National Council for Behavioral Health

National Council on Aging

National Multiple Sclerosis Society

National Organization for Rare Disorders (NORD)

National Patient Advocate Foundation

National Respite Coalition

Oral Health America (OHA)

Paralyzed Veterans of America

Pioneer Network

Susan G. Komen

Triage Cancer

United Spinal Association

Well Spouse Association

ZERO - The End of Prostate Cancer