

June 6, 2019

Senator Susan Collins
U.S. Senate
413 Dirksen Senate Office Building
Washington, DC 20510

Senator Maria Cantwell
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20510

Dear Senators Collins and Cantwell:

We, the undersigned organizations, write to thank you for introducing S.110, the Medical Expense Savings Act which would make permanent the 7.5 percent threshold for the medical expense deduction.

As you know, for the past 75 years, Americans with high health care costs have been able to deduct medical expenses from their taxes. For the approximately 4.4 million Americans¹ 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 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 and long term care insurance premiums. Families across the country with high health care costs 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. 70% of the taxpayers who claim this deduction have income between \$23,100 and \$113,000 per year².

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 look forward to working with you to ensure that tax filers with high out-of-pocket health care costs can continue to claim the current medical expense deduction after this tax year. We thank you for your leadership on protecting this important tax deduction. If

¹ <https://www.aarp.org/content/dam/aarp/ppi/2019/02/defraying-high-out-of-pocket-health-care-costs-the-medical-expense-tax-deduction.pdf>

² Ibid.

you have any questions or need additional information you can reach out to Brendan Rose at 202-434-3922 or brose@arp.org.

Sincerely,

AARP
ACCSES
Alliance for Aging Research
ALS Association
Alzheimer's Association
Alzheimer's Impact Movement
American Association on Health and Disability
American Cancer Society Cancer Action Network
American Health Care Association (AHCA)
American Heart Association
American Psychological Association
American Seniors Housing Association
Argentum
Autistic Self Advocacy Network
Bazelon Center for Mental Health Law
Children's Cause for Cancer Advocacy
Christopher & Dana Reeve Foundation
Colorectal Cancer Alliance
Disability Rights Education and Defense Fund (DREDF)
Disability Rights Legal Center
Family Voices
Fight Colorectal Cancer
FORCE: Facing Our Risk of Cancer Empowered
HealthyWomen
Justice in Aging
Lacuna Loft
Lakeshore Foundation
Leading Age
Lupus Foundation of America
Lutheran Services in America
Lymphoma Research Foundation
Medicare Rights Center
Muscular Dystrophy Association
National Academy of Elder Law Attorneys
National Adult Day Services Association
National Association of Councils on Developmental Disabilities
National Center for Assisted Living (NCAL)
National Coalition for Cancer Survivorship
National Council on Aging

National Organization for Rare Disorders (NORD)
National Patient Advocate Foundation
National Respite Coalition
Paralyzed Veterans of America
Pioneer Network
Susan G. Komen
The Cancer Support Community
The Huntington's Disease Society of America
The Jewish Federations of North America
The Leukemia & Lymphoma Society
The Michael J. Fox Foundation for Parkinson's Research
Triage Cancer
USAgainstAlzheimer's
Well Spouse Association
Zero Cancer

CC: US Senate Finance Committee Health Care Task Force