

November 30, 2017

Dear Senator:

We, the undersigned organizations, write to express our support for the Collins Amendment to be included in the Tax Cuts and Jobs Act of 2017. 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 Collins Amendment would delay 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, disabled individuals, 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 are pleased to endorse the inclusion of this bill in tax legislation and thank Senators Collins, Portman and Brown for their work to protect this important tax deduction.

Sincerely,

AARP

ACCSES

Alliance for Aging Research

ALS Association

Alzheimer's Association

Alzheimer's Impact Movement

AMDA – The Society for Post-Acute and Long-Term Care American Association on Health and

Disability American Seniors Housing Association Argentum Autism Speaks Christopher and

Dana Reeve Foundation Colorectal Cancer Alliance Critical Mass: The Young Adult Cancer

Alliance Disability Rights Legal Center Family Voices Fight Colorectal Cancer

FORCE: Facing Our Risk of Cancer Empowered Healthywomen Lacuna Loft Lakeshore

Foundation Leukemia & Lymphoma Society (LLS) LeadingAge Living Beyond Breast Cancer

Lupus Foundation of America March of Dimes Medicare Rights Center Michael J. Fox

Foundation for Parkinson's Research National Academy of Elder Law Attorneys National

Association of ACOs National Association of Nutrition and Aging Services Programs National

Coalition for Cancer Survivorship National Committee to Preserve Social Security and Medicare

National Council on Aging National Council for Behavioral Health National Multiple Sclerosis

Society National Organization for Rare Disorders (NORD) National Respite Coalition Oral

Health America Paralyzed Veterans of America Pioneer Network Susan G. Komen Foundation

United Spinal Association Well Spouse Association ZERO - The End of Prostate Cancer