



601 E Street, NW | Washington, DC 20049
202-434-2277 | 1-888-OUR-AARP | 1-888-687-2277 | TTY: 1-877-434-7598
www.aarp.org | twitter: @aarp | facebook.com/aarp | youtube.com/aarp

January 15, 2019

The Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington, DC 20515

The Honorable Maria Cantwell
United States Senate
511 Hart Senate Office Building
Washington, DC 20515

Dear Senators Collins and Cantwell:

On behalf of our members and all Americans age 50 and older, AARP is writing to thank you for introducing the Medical Expense Savings Act (S. 110), legislation to permanently extend the 7.5 percent income threshold for the medical expense deduction. AARP, with its more than 38 million members in all 50 states, the District of Columbia, and the U.S. territories, represents individuals seeking financial stability while managing their health care and every effort should be made to keep the threshold for the deduction as low as possible to help protect those with high medical costs.

The medical expense deduction provides important tax relief that helps offset the cost of acute and chronic medical conditions for older Americans, children, and individuals with disabilities. For many, the medical expense deduction can help offset high out-of-pocket expenses -- expenses that qualify include money paid for diagnosis, treatment, equipment, long-term care services, and long-term care insurance premiums.

The tax filers who claim the medical expense deduction have historically been age 50 or older and living with a chronic condition or illness. The average Medicare beneficiary spends about \$5,680 out of pocket on medical care. The medical expense deduction makes health care more affordable for people with significant out-of-pocket expenses.

Furthermore, older Americans often face high costs for long-term services and supports - - which are generally not covered by Medicare -- as well as hospitalizations and prescription drugs. The median cost for a private room in a nursing home is over \$97,000 annually, while the median cost for even more cost-effective home-based care is still over \$30,000 per year (for 20 hours of care a week). In 2013, roughly 25.8 million beneficiaries in traditional Medicare spent at least 10 percent of their income on out-of-pocket health care expenses. Tax relief in this area can provide needed resources,

especially important to middle income seniors with high long-term care and medical costs.

The medical expense deduction is a critical tool in managing health care cost for Americans with high out-of-pocket expenses. For these reasons, we are pleased to endorse this legislation and look forward to working on a bipartisan basis with you to enact this legislation into law. If you have any questions or need additional information, please feel free to contact me or [REDACTED]

Sincerely,

A handwritten signature in black ink that reads "Joyce A. Rogers". The signature is written in a cursive, flowing style.

Joyce A. Rogers
Senior Vice President
Government Affairs