December 14, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy, Minority Leader Schumer:

We, the undersigned organizations, write to request that any end-of-year legislative package include a permanent extension of the 7.5 percent threshold for the medical expense deduction. The current extension expires on Dec. 31, 2020. With the added impact of an unprecedented public health emergency and unknown long term health impacts, this deduction is more important than ever.

As you know, for more than 75 years, Americans with high health care costs have been able to deduct medical expenses from their taxes. For the approximately 4.4 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 and other adults as well as the costs associated with long term care, assisted living, and nursing homes. 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 year.

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 supports, 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 thank you for your consideration and once again urge inclusion in any forthcoming end-of-year-package this important provision to ensure that tax filers with high out-of-pocket health care costs can continue to claim the medical expense deduction at the 7.5 percent of income

threshold. We thank you in advance for your support of protecting this important tax deduction. If you have any questions or need additional information you can reach out to Brendan Rose with AARP at 202-434-3922 or brose@aarp.org.

Sincerely,

AARP
ACCSES – The Voice of Disability Service Providers
Alliance for Aging Research
ALS Association
Alzheimer's Association
Alzheimer's Impact Movement
AMDA- The Society for Post-Acute and Long-Term Care Medicine
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
Autistic Self Advocacy Network
Cancer Support Community
Children's Cancer Cause
Christopher & Dana Reeve Foundation
Colon Cancer Coalition
Cystic Fibrosis Foundation
Disability Rights Education and Defense Fund (DREDF)
Family Voices
Fight Colorectal Cancer
FORCE: Facing Our Risk of Cancer Empowered
HealthyWomen
Justice in Aging
Lakeshore Foundation
LeadingAge
Leukemia & Lymphoma Society
Living Beyond Breast Cancer
Lupus Foundation of America
Lymphoma Research Foundation
March of Dimes
National Academy of Elder Law Attorneys
National Adult Day Services Association (NADSA)
National Association of Councils on Developmental Disabilities
National Association of Nutrition and Aging Services Programs (NANASP)
National Center for Assisted Living (NCAL)
National Coalition for Cancer Survivorship

National Committee to Preserve Social Security and Medicare
National Council on Aging
National Disability Rights Network (NDRN)
National Patient Advocate Foundation
National Respite Coalition
Paralyzed Veterans of America
Pioneer Network
Susan G. Komen
The Arc of the United States
The Michael J. Fox Foundation for Parkinson's Research
The Well Spouse Association
Triage Cancer
United Spinal Association

CC: The Honorable Richard Neal, The Honorable Chuck Grassley, The Honorable Kevin Brady, The Honorable Ron Wyden