



September 13, 2018

The Honorable Kevin Brady  
Committee on Ways and Means  
United States House of Representatives  
1100 Longworth House Office Building  
Washington D.C. 20515

Dear Chairman Brady:

On behalf of our members and all Americans age 50 and older, AARP<sup>1</sup> writes to thank you for including an extension of the current 7.5 percent threshold for the medical expense deduction in the Protecting Family and Small Business Tax Cuts Act (H.R. 6760). However, a short extension seems inconsistent with the committee's overall efforts to make individual tax reforms permanent. We write to you today asking that, like all other individual income tax provisions in your proposed legislation, the medical expense deduction be made permanent.

AARP also appreciates your statement that this bill is “[P]roviding certainty [and] locks in the tax relief from the Tax Cuts and Jobs Act....<sup>2</sup>” We believe that Americans making decisions about their own, or a loved one's, illness especially deserves that same certainty. The medical expense deduction helps to make health care more affordable for those with high health care expenses -- medical expenses that qualify for this deduction include money paid for diagnosis, treatment, equipment, long-term care services, and long-term care insurance premiums. Those who rely on this deduction would welcome and appreciate the certainty and peace of mind of knowing this deduction will be there for them.

AARP believes that every effort should be made to provide certainty and keep the threshold for the deduction as low as possible to help protect people with high medical costs. The tax filers who claim the medical expense deduction have historically been age 50 or older and living with a chronic condition or illness. This deduction provides important tax relief that helps offset the costs of acute and chronic medical conditions. For older Americans and Americans with disabilities, the medical expense deduction can help offset high out-of-pocket expenses. Even with Medicare, a significant share of

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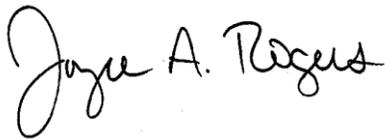
<sup>1</sup> AARP, with its nearly 38 million members in all 50 States, the District of Columbia, and the U.S. territories, is a nonpartisan, nonprofit, nationwide organization that helps empower people to choose how they live as they age, strengthens communities, and fights for the issues that matter most to families, such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

<sup>2</sup> <https://waysandmeans.house.gov/brady-hails-introduction-of-tax-reform-2-0-permanent-tax-relief-for-families-and-small-business-helping-families-save-more-and-spurring-innovation-here-in-u-s/>

beneficiaries spend a considerable amount on out-of-pocket expenses each year.<sup>3</sup> The average Medicare beneficiary spends about \$5,680 out of pocket on medical care and 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 support -- 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.

The medical expense deduction is a critical tool in managing health care cost for Americans with high out-of-pocket expenses. Preservation of this important deduction at the 7.5 percent income threshold is important financial protection for all Americans with high health care costs. We look forward to working with you and your colleagues to make the current medical expense deduction permanent. If you have any questions or need additional information, please feel free to contact me or contact Jasmine Vasquez at [jvasquez@aarp.org](mailto:jvasquez@aarp.org).

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

cc: The Honorable Richard E. Neal, Ranking Member, Committee on Ways & Means

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<sup>3</sup> Claire Noel-Miller, Medicare Beneficiaries Out-of-Pocket Spending for Health Care, Washington, DC, AARP Public Policy Institute Insight on the Issues 108, October 2015, accessed at <https://www.aarp.org/content/dam/aarp/ppi/2015/medicarebeneficiaries-out-of-pocket-spending-for-health-care.pdf>.