

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](mailto: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