



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Sen. Chuck Grassley
on the Inclusion of His Long-term Care Tax Provisions
in the *Ronald Reagan Alzheimer's Breakthrough Act of 2004*
Wednesday, June 16, 2004

I appreciate the work of my colleagues, Senators Bond and Mikulski, and others, to increase the nation's commitment to Alzheimer's research and to improve Americans' options for long-term care. From my experience as then-chairman of the Special Committee on Aging, and now as chairman of the Committee on Finance, I've heard from many Americans about their struggles to afford long-term care services, such as home visits from nurses or assisted living. As people age and face debilitating illnesses, they want to stay in their homes as long as possible with the comforts of home and family and friends. Millions of people are wondering how to pay for long-term care for themselves and their loved ones. They're also caring for family members to keep them at home and out of nursing homes.

In the last three Congresses, Sen. Bob Graham and I have introduced the *Long-Term Care and Retirement Security Act* to ease the tremendous cost of long-term care. The bill would allow individuals a tax deduction for the cost of long-term care insurance premiums. Increasingly, Americans are interested in private long-term care insurance to pay for nursing home stays, assisted living, home health aides, and other services. However, most people find the policies unaffordable. The younger the person is at the time the long-care insurance contract is purchased, the lower the insurance premium, yet most people are not ready to buy a policy until retirement. A deduction for long-term care insurance premiums would encourage more people to buy a long-term care insurance policy.

Our proposal would also give individuals or their care givers a \$3,000 tax credit to help cover their long-term care expenses. This would apply to those who have been certified by a doctor as needing help with at least three activities of daily living, such as eating, bathing or dressing. This credit would help care givers pay for medical supplies, nursing care and any other expenses incurred while caring for family members with disabilities.

I'm very pleased that Senators Bond and Mikulski have included these provisions in their *Ronald Reagan Alzheimer's Breakthrough Act of 2004*. An aging nation has no time to waste in preparing for long-term care, and the need to help people afford long-term care is more pressing than ever. President and Mrs. Reagan showed the nation how to weather a debilitating disease of aging with as much dignity and peace as possible. I hope we can help other Americans who face such illness follow that model.

