



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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## Grassley Introduces Bill to Ease Long-term Care Costs

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today introduced legislation to ease the tremendous cost of long-term care. He cited an Otley, Iowa, family as the perfect example of the millions of families nationwide that bear the financial burden of caring for a loved one.

“Many Americans will need some kind of long-term care. Most Americans will have trouble affording it,” Grassley said. “Long-term care is expensive in any form. Making it affordable requires a lot of creative thinking. Congress has an important role in using the tax code to help people with long-term care expenses.”

Grassley and Sen. Bob Graham re-introduced their *Long-term Care and Retirement Security Act*, which they sponsored in the last Congress. The bipartisan measure 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, the lower the insurance premium, yet most people aren't ready to buy a policy until retirement. A deduction would encourage more people to buy long-term care insurance.

Give individuals or their caregivers 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 caregivers pay for medical supplies, nursing care and any other expenses of caring for family members with disabilities.

Grassley said the Van Zee family of Otley, Iowa, typifies many families who would benefit from his legislation. Renee Van Zee at 55 years old has early onset Alzheimer's disease. Three years after her diagnosis, she can't feed, bathe or dress herself.

Her daughter, Leanna, and her husband, Albert, are pulling out all the stops to keep Mrs. Van Zee out of a nursing home. They care for her full-time. They've found some services through Medicaid and Medicare and received a donated hospital bed.

Even so, caring for Mrs. Van Zee is difficult. She can't be left alone at any time. The family's network of services is piecemeal, like that of many families in similar straits. Those services could change with any change in their circumstances.

The family bears considerable out-of-pocket expenses for Mrs. Van Zee's nutritional supplements. The supplements cost \$4.96 for a four-pack of cans. Mrs. Van Zee consumes two or three cans a day.

Grassley said it's obvious how this situation affects a family's finances. Working adults quit their jobs to care for a loved one, and take on a host of new expenses at the same time, he said.

Grassley said his legislation would help the 22 million family caregivers, like the Van Zees. A \$3,000 tax credit would help to pay for Mrs. Van Zee's nutritional supplements or hire an extra nurse. The legislation also would help families like the Van Zees buy long-term care insurance; maybe Mrs. Van Zee would have bought herself insurance years ago, had it been an affordable option for her, Grassley said.

As it did last year, Grassley's legislation today received the support of two disparate groups, the AARP and the Health Insurance Association of America. A House bill is pending from a bipartisan group led by Reps. Nancy Johnson, Karen Thurman and Earl Pomeroy.

"An aging nation has no time to waste in preparing for long-term care," Grassley said. "The need to help people afford long-term care is more pressing than ever. My colleagues and I will work to get our bill passed into law as soon as possible."