



House Bill 6926, An Act Establishing a Personal Income Tax Deduction for Certain Home Health Care Expenses.

Finance, Revenue and Bonding Committee

April 3, 2023

Home Care Association of America Connecticut represents more than one hundred home care agencies that employ thousands of caregivers who provide essential, quality and affordable in-home care to seniors, persons with disabilities and veterans across the state. To ensure quality care, HCAOA Connecticut advocates for employer-based agencies that screen, employ, train and supervise caregivers; create a plan of care for the client; and work toward a safe and secure environment for the person at home. HCAOA Connecticut supports industry standards that improve the delivery of in-home care to clients.

HCAOA Connecticut **supports House Bill 6926** and respectfully requests that the committee **approve the bill**.

House Bill 6926 would provide financial relief for certain caregiver-taxpayers by providing a personal income tax deduction of up to \$60,000 for expenses paid to care for any relative 70 years of age or older for the cost of full-time home health care, including the cost of medical supplies and in-home services provided by a homemaker-companion agency.

Most health care expenses for elderly persons are already covered by Medicare and are eligible for a deduction on federal income taxes. Home care agencies provide non-medical home care services to seniors and persons who are disabled that should also qualify for an income tax deduction. The tax deduction would help make home care more affordable for seniors and their families and provide much-needed financial relief to taxpayers.

Home care agencies help fulfill an important public policy: non-medical caregivers provide essential care and services to elderly and disabled persons, help them live in their own homes and help keep them out of costly, long-term institutional settings. Private-pay home care fills a critical gap for seniors between hospital stays, nursing home care, and care provided by family members and loved ones. By providing a tax deduction to non-medical in-home caregivers, the state

would recognize the value of the service, encourage greater participation, and provide necessary tax relief to families paying for the service.

Elderly Americans receiving home care generally need fewer trips to the doctor and hospital, reducing overall health care costs while also creating jobs in the growing home care sector. According to a study cited in HCAOA's *State of Home Care: Industry at a Crossroads* (2022), "healthcare savings were realized when older adults with certain chronic conditions utilized home care services compared to those not receiving home care. Older adults (averaging 80 years old) with functional limitations who received home care resulted in \$500 per member per month lower healthcare costs than those not receiving home care." (citing "Medical Expense Impact of Functional Limitations and Targeted Personal Care Interventions," WellSky, June 2021) Additionally, according to the HCAOA report, in 2020, the annual cost of in-home care for seniors was about \$55,000 for an average of 44 hours of care per week –about half the annual cost of a private room in a nursing home. (citing Genworth Cost of Care Survey, 2020)

Professional caregivers enable seniors to enjoy independent living longer in their own homes by:

- preventing falls and other injuries;
- ensuring medications are taken and routines are followed;
- helping with dressing, showering and toileting;
- preparing nutritious meals and maintaining a healthy, balanced diet;
- providing companionship, support and personal care; and
- helping seniors remain engaged and connected.

Home care services are important to the health and well-being of seniors, and families incur costs associated with non-medical home care that should be deductible from income taxes.

Please contact Marlene Chickerella, Chair of HCAOA Connecticut, (860) 690-3673, with any questions or visit www.hcaoa.org for additional information about Home Care Association of America.