December 8, 2017

The American Academy of Neurology (AAN), the world’s largest association of neurologists representing more than 34,000 professionals, is strongly committed to improving the care and outcomes of persons with neurologic illness. We would like to express our concerns with the following provisions being debated for inclusion in the final Tax Cuts and Jobs Act.

Individual Mandate

The version of the bill passed by the Senate includes a repeal of the individual mandate to buy health insurance. The AAN Principles for Health Care Delivery outline our commitment to promote “access to high quality health care and preventative care through insurance coverage for all, including those most vulnerable to health care disparities, regardless of pre-existing conditions.” We are concerned that the repeal of the individual mandate will result in an increase of uninsured individuals, as well as instability in insurance markets leading to more expensive premiums. The AAN hopes that the final legislation will ensure that vulnerable populations— including those with chronic disease— are not left without access to high quality health care.

Graduate Student Tuition Waivers

The House of Representatives passed a version of the bill that repeals the tax-exempt status for graduate student waivers. Many students pursuing their master’s degree or PhD in neuroscience receive a small stipend and a tuition waiver in exchange for teaching or working as a research assistant. Currently the tuition waiver is tax-exempt, but the proposed repeal would increase the tax burden for graduate students by thousands of dollars. We are deeply concerned about the potential effects of this change. By providing a disincentive for individuals to pursue their advanced degree there will be a significant decline in medical research, potentially stunting important progress being made on the understanding of neurologic diseases such as Alzheimer’s and Parkinson’s.

Student Loan Interest Deduction

Currently, individuals with a modified adjusted gross income of less than $80,000 may claim a deduction up to $2,500/year in student loan interest. According to the IRS, about 12 million people claimed the student loan interest deduction in 2015. We are concerned by the proposed elimination of this deduction included in the bill passed by the House of Representatives, and its potential impact on resident physicians and other health care professionals. According to the
American Association of Medical Colleges, medical students acquire an average $180,000 in student loan debt, and the student loan interest deduction is an opportunity to alleviate the burden of loan repayment.

**Medical Expense Deduction**

The bill passed by the House of Representatives eliminates the deduction that allows individuals to deduct qualified medical expenses that exceed 10 percent of their adjusted gross income. More than nine million Americans claimed this deduction in 2015, and we are concerned of the impact on patients with neurologic disease. Many chronic neurologic diseases require ongoing expensive care and treatment, and families rely on the deduction as a crucial part of their financial planning.

We appreciate your consideration of issues affecting neurology and our patients. Please contact Becky Horton at 612-928-6040 if you have any questions or request additional information.

Sincerely,

Ralph L. Sacco, MD, MS, FAHA, FAAN
President, American Academy of Neurology