

My name is Judy Hettena Wright. I am a self-employed certified public accountant.

I am here to testify about the impact of the loss of medical deductions on my clients.

I am also here to tell you about the impact on my own personal situation.

I have a rare genetic disorder called Ehlers Danlos, or EDS. Ehlers Danlos is a connective tissue disorder that is caused by defects in a protein called collagen. It causes my joints to be hypermobile and in chronic pain. My rotator cuffs spontaneously tear. My hips and wrists partially dislocate on a regular basis. EDS also compromises organs in my body and causes me to have chronic fatigue, neuropathy, migraines and difficulty in regulating my body temperature. As you may notice today, it also gives me chronic problems with my voice. This is daily life for those with Ehlers Danlos.

As EDS is genetic, with a 50% chance of children inheriting the disease, others in our community in Vermont have multiple family members in the same household with this condition. They are dealing with medical expenses for more than one family member.

As a result of my own condition, I spend and deduct at least \$50,000 per year of unreimbursed medical expenses on my tax returns. My expenses include my health insurance premiums, a high deductible, medical travel to out of state specialists, physical and speech therapy in excess of the allowed annual visits by our insurance plan, and the following items that are no longer allowed by our insurance plan: out of network practitioners in Vermont (which is becoming an issue as more of non-hospital affiliated practitioners stop participating with insurance), out of state specialists, procedures that are no longer covered due to plan changes, and compounded medications. As a result of the EDS, I also have airway and bite problems that require regular dental and orthodontic care and surgeries that are not covered by my dental insurance.

I am fortunate not to be on disability. I fight hard to work full time during tax season and work a reduced schedule the rest of the year. I keep my business running with the assistance of a fantastic employee and the support of my medical team. I have a warm relationship with my clients and my work is meaningful to me.

As soon as the tax law change passed, I calculated the projected Vermont tax effect on my 2018 taxes. Under the new law I will pay approximately \$3,000 in additional taxes. Unless the law is changed, this will be a permanent increase for me. As a result, I have already had to start reducing my non-insured medical care visits that help my body function and provide pain relief.

Turning to my practice, a good portion of my clients are aged 70 and above. As a result, they have significant medical needs. I have clients who have medical expenses not covered by Medicare, for conditions such as dementia, Alzheimer's, and Parkinson's. They live in various assisted living or memory care facilities. Once a client enters assisted living, you can anticipate that their annual medical expenses will start at \$85k per year. Therefore, the loss of the medical expense deduction to these clients is financially significant.

For example, a dear client's daughter was just told by his facility that he is exhibiting some aggressive behavior during the morning and evening before his medication kicks in. They want her to hire a trained caregiver for those times, but caregiving agencies have a minimum number of hours they will charge per shift. She found this out just as I gave her the news that he would owe an additional \$4,000 Vermont liability on April 15 and each year unless the law changes. Now she has to use up his funds for both the caregivers and the additional taxes. She is desperately trying to keep him in the facility for as long as possible as another move will be extremely traumatic. She literally cried in my arms when I told her about the additional annual tax cost.

I have run projections to show you the increase in taxes for those with significant medical expenses, which I have brought today. What will be clear from these projections is that the larger a taxpayer's medical expenses, the more of a Vermont tax increase from the prior year they are experiencing under the new law. People with high medical expenses don't see their costs drop from one year to another. The costs of chronic illness and of aging do not go away.

In addition, it is also clear that the implementation of the personal exemption and standard deduction did not mitigate the Vermont tax increase. You can tell this by comparing identical income and expenses under the 2017 and 2018 law, which I will show in my projections.

I have prepared three sets of tax projections for you today using different levels of medical expenses which represent levels I see in my practice. I rounded them for simplicity. All three projections use the same fact pattern for income. The fact pattern assumes the client has retirement income and social security. In addition, it assumes that the client has some savings that are being spent down for medical expenses. The income figures are based on one of my clients in assisted living and have also been rounded for simplicity.

Please feel free to ask any questions. I have back up support for all these spreadsheets at my office if anyone would like to see additional calculations.

I believe that the impact of the elimination of the medical expense deduction on the disabled and senior population was inadvertently overlooked and I respectfully ask this committee to do what it can to restore the deduction.

Thank you for allowing me to testify.