



## **Ronald Reagan Alzheimer's Breakthrough Act of 2005**

**S. 602/H.R. 1262**

*June 29, 2005*

**SPONSORS:** Sen. Barbara Mikulski (D-MD) (introduced 3/10/05)  
Rep. Chris Smith (R-NJ) (introduced 3/10/05)

**COSPONSORS:** S. 602 – 43  
H.R. 1262 – 46

**Tax Deduction for the cost of long-term care insurance premium based on the number of years of continuous coverage starting at 60% and increasing 10% per year over four years to 100%.**

Less than 1 year	60%
1 year, less than 2	70%
2 years, less than 3	80%
3 years, less than 4	90%
at least 4 years	100%

**Tax Deduction for the cost of long-term care insurance premium based on the number of years of continuous coverage more generous for those AGE 55 and older.**

Less than 1 year	70%
1 year, less than 2	85%
at least 2 years	100%

**Tax Credit for Taxpayers with long-term care needs**

\$1,000 for 2005  
\$1,500 for 2006  
\$2,000 for 2007  
\$2,500 for 2008  
\$3,000 for 2009 & thereafter

**Credit Threshold** – Credit amount is reduced by \$100 for each \$1,000 (or fraction thereof) above threshold amounts:

\$150,000 – joint return  
\$75,000 – in other cases

**Credit Indexing** – will increase annually based on medical care cost adjustment

**Credit amount** – multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year. (Ex. Taking care of elder parents – amount of credit X 2)

**Eligible Caregiver**

Taxpayer

Taxpayer's spouse

Individual with respect to whom the taxpayer is allowed a deduction

**Applicable Individuals** – In general is an individual with long-term care needs described below, for a period which is at least 180 consecutive days and a portion of which occurs within the taxable year.

At least 18 years of age:

1. Unable to perform at least 3 activities of daily living OR
2. Requires substantial supervision to protect such individual from threats to health & safety due to severe cognitive impairment and
  - a. is unable to perform at least 1 activity of daily living.

Age 6 – under 18:

1. Unable to perform at least 3 activities of daily living
2. Requires substantial supervision to protect such individual from threats to health & safety due to severe cognitive impairment and
  - a. is unable to perform at least 1 activity of daily living, is unable to engage in age appropriate activities.
3. Has a complex medical condition (defined by Secretary) that requires medical management and coordination of care, OR
4. Has a level of disability as determined under regulation promulgated by the Secretary.

Age 2 – 6:

1. Unable due to loss of functional capacity to perform at least 2 of the following activities: eating, transferring, or mobility.
2. Has a complex medical condition (defined by Secretary) that requires medical management and coordination of care, OR
3. Has a level of disability as determined under regulation promulgated by the Secretary

Under 2 years of Age

1. Requires specific durable medical equipment by reason of a severe health condition OR
2. Requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent, OR
3. Has a complex medical condition (defined by Secretary) that requires medical management and coordination of care.
4. Has a level of disability as determined under regulation promulgated by the Secretary

The individual has 5 or more chronic conditions and is unable to perform at least 1 activity of daily living due to loss of functional capacity.

Chronic Condition – a condition that lasts for at least 6 consecutive months and requires ongoing medical care.

### **OTHER PROVISIONS:**

Amends the Public Health Service Act to make Alzheimer’s disease research a priority within the National Institute of Aging.

Requires the Director of the Institute to:

1. undertake an Alzheimer’s Disease Prevention Initiative to accelerate the discovery of new risk and protective factors, to rapidly identify therapies and preventive interventions, and to implement effective prevention and treatment strategies;
2. conduct and support cooperative clinical research regarding Alzheimer’s; and
3. conduct research concerning early detection and diagnosis, the relationship between Alzheimer’s and vascular disease, and interventions designed to help caregivers.

Authorizes the Director to establish a National Alzheimer’s Coordinating Center to facilitate collaboration among Alzheimer’s Disease Centers and Alzheimer’s Disease Research Centers.

Requires the Secretary of HHS, acting through the Director of the Centers for Disease Control and Prevention, to educate the public and public health community regarding Alzheimer’s disease.

Authorizes the Secretary to award grants or cooperative agreements to develop coordinated respite care programs on a statewide basis. Directs the Secretary to award a grant or cooperative agreement to a public or private nonprofit entity to establish a National Resource Center on Lifespan Respite Care.

### **COST**

The legislation authorizes and appropriates funds as follows:

<i>Alzheimer’s Disease Public Education Campaign</i>	\$7,000,000 (FY 2006)
<i>National Family Caregiver Support Program</i>	
<i>Older American Act</i>	\$250,000,000 (FY 2006)
<i>Native Americans</i>	\$10,000,000 (FY 2006)
<i>Alzheimer’s Disease Demonstration Grants</i>	\$25,000,000 (FY 2006)
<i>Safe Return Program</i>	\$1,000,000 (FY 2006)
<i>Lifespan Respite Care</i>	\$90,500,000 (FY 2006)
<i>National Lifespan Respite Resource Center</i>	\$500,000 (FY 2006 – FY 2010)
<i>LTCI premium deductibility</i>	\$?
<i>LTC taxpayer credit</i>	\$?