

# CALIFORNIA ADVOCATES, INC.



May 21, 2014

The Honorable Connie Conway  
Member, California State Assembly  
State Capitol, Room 3104  
Sacramento, California 95814

*Michael D. Belote*

*Dennis K. Albiani*

*Julianne A. Broyles*

*Lexi Purich Howard*

*John F. O'Malley*

*Ralph F. Simoni*

**SUBJECT: AB 1831 (CONWAY)—PERSONAL INCOME TAX: DEDUCTION:  
MEDICAL INSURANCE – SUPPORT  
ASSEMBLY REVENUE AND TAXATION COMMITTEE  
SCHEDULED FOR HEARING: MARCH 24, 2014**

Dear Assembly Member Conway:

The California Association of Health Underwriters is pleased to **SUPPORT** your **AB 1831**, as introduced, that provides for a reasonable tax credit for medical expenses that will make health care coverage more affordable for California taxpayers.

**AB 1831** provides for tax years beginning on or after January 1, 2014, a tax deduction from gross income under the Personal Income Tax Law for the amounts paid or incurred by a taxpayer for medical insurance for medical care. CAHU believes tax credits for medical costs provide a much needed offset of the cost of medical care, and make health care more affordable in California.

Medical care expenses must be primarily to alleviate or prevent a physical or mental illness or injury. Medical expenses include the costs of diagnosis, cure, mitigation, treatment, or prevention of disease and include payments to physicians, surgeons, dentists, and other medical practitioners. The costs of needed equipment, supplies, and diagnostic devices are also medical expenses. Medical expenses also include health insurance premiums that cover the expenses of medical care, as well as amounts paid for qualified long-term care services and limited amounts paid for any qualified long-term care insurance contract.

CAHU knows that one of the main barriers to health care coverage is the high cost of obtaining and maintaining that coverage. Providing a tax credit for medical expenses will go a long way towards improving access for California taxpayers who now pay higher costs for health care coverage under the Patient Protection and Affordable Care Act.

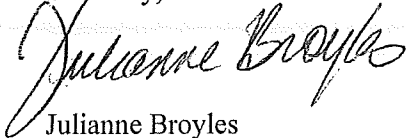
As you know, many middle income taxpayers are not eligible to receive subsidized coverage for health care through Covered California. Many others prefer to purchase coverage outside of the Exchange in order to access wider networks of providers. CAHU believes that **AB 1831** provides an equitable way to help reduce the impact of new mandated health care costs on Californians, thereby making healthcare coverage more affordable in this state.

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The California Association of Health Underwriters is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase and use their health care coverage plans, resulting in greater health and financial security. CAHU agents and brokers also act as advocates for policyholders and their families when coverage disputes arise. CAHU agents and brokers perform many functions for small employers with respect to managing their employee benefits program-at no additional cost to the small employer.

The California Association of Health Underwriters looks forward to working with you and your staff in **SUPPORT** of **AB 1831**.

Sincerely,



Julianne Broyles  
On Behalf of California Association of Health Underwriters

cc: Office of Governor Brown  
Members, Assembly Revenue and Taxation Committee  
M. David Ruff, Assembly Revenue and Taxation Committee  
Julia King, Assembly Republican Caucus