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BIPARTISAN GROUP OF SENATORS INTRODUCE BILL TO END \$30 BILLION TAX ON MEDICAL DEVICE MANUFACTURERS

New Tax Hurts Innovation, Job Creation & Delivery of Quality Patient Care

WASHINGTON -- A bipartisan group of Senators, led by Senate Finance Committee Ranking Member Orrin Hatch (R-Utah) and U.S. Senator Amy Klobuchar (D-Minn.), Chair of the Senate Commerce Subcommittee in Innovation, Competitiveness, and Export Promotion, today announced legislation to repeal the medical device tax that was included in the Patient Protection and Affordable Care Act (PPACA). U.S. Senators John Cornyn (R-Texas), Joe Donnelly (D-Ind.), Richard Burr (R-N.C.), Al Franken (D-Minn.), Pat Toomey (R-Pa.), Bob Casey (D-Pa.), and Dan Coats (R-Ind.) joined Hatch and Klobuchar in introducing the *Medical Device Access and Innovation Protection Act* in the Senate.

Under PPACA, manufacturers of medical devices ranging from surgical tools to bed pans are required to pay a 2.3 percent excise tax hike that will raise nearly \$30 billion in revenue over 10 years and that will hinder industry innovation, job creation and the overall delivery of quality patient care. The tax, which took effect in January, is expected to cost device manufacturers roughly \$194 million per month putting 43,000 American jobs at risk, according to the Advanced Medical Technology Association (AdvaMed).

“Simply put, this is an anti-competitive tax that pulls the rug out from underneath American innovation and job creation,” **said Hatch**. “Whacking medical device manufacturers with a near \$30 billion tax hike stifles the development of life-saving medical devices with high costs that will, ultimately, be passed on to consumers. It’s just plain, bad policy and should be fully repealed.”

“In order to compete in the global economy our medical device businesses need a level playing field,” **said Klobuchar**. “This bipartisan legislation will help ensure our medical device manufacturers can continue to advance the pioneering technologies that save lives and create good jobs in Minnesota.”

“The medical device tax was included in PPACA to pay for trillions of dollars in additional government spending. This tax will limit innovation and harm patient access to advanced medical devices,” **said Cornyn.** “We must repeal this tax, which has already cost us American jobs and economic investment.”

“We need to make every effort to encourage, not stifle, continued growth in our manufacturing sector, including the medical device industry,” **said Donnelly.** “Indiana is home to many innovative medical device companies, and I support repealing the medical device excise tax because it makes sense for Hoosier businesses, workers, and the patients served by their products. I am pleased to join my colleagues from both sides of the aisle to introduce this legislation.”

“The medical device tax not only stifles innovation and our nation’s competitiveness, but it will cost us jobs in North Carolina and across our nation at a time when our economy continues to struggle,” **said Burr.** “Now, more than ever, we must eliminate policies that cost American jobs and innovation. Repealing this job-killing medical device tax will help ensure America remains the world leader in the research and development of life-saving products and upholds our promise to patients in North Carolina and across our nation to continue to innovate on their behalf.”

“The medical device industry has created tens of thousands of good-paying jobs in Minnesota and 400,000 nationwide--and helps save countless lives every year,” **said Franken.** “I’ve fought against this tax since it was proposed. And I am cosponsoring this legislation to repeal the medical device tax so we can ensure that this important industry continues to create jobs and produce life-saving devices. I will fight to get this bill passed and to find a bipartisan offset to replace the revenue from the tax.”

“The medical device tax will cost Pennsylvania’s economy \$100 million a year, causing job losses and impacting companies’ ability to expand and hire. The tax is discouraging companies both in Pennsylvania and across the United States from growing and planning for their futures,” **said Toomey.** “I am pleased to join Senator Hatch in co-sponsoring his legislation in the Senate to repeal it. This job-killing tax is yet another example of how President Obama’s health care bill is hurting American jobs and undermining our economy.”

“I have talked to small businesses and manufacturers throughout Pennsylvania that have been unfairly burdened by medical device tax,” **said Casey.** “We have tens of thousands of jobs connected to the medical device industry. This is a common sense measure to improve current law and ensure we are doing everything we can to encourage innovation and job creation.”

"This misguided tax will jeopardize jobs, increase costs on consumers and impede innovation," **said** **Coats**. "The medical device tax unfairly punishes a successful industry that not only provides jobs to thousands of Hoosiers and Americans, but also enhances the lives of patients around the world. Now with bipartisan support, I urge Congress to pass our legislation and repeal this damaging tax."

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