

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

April 12, 2019

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce strongly supports legislation that would permanently repeal or extend the suspension of the onerous medical device tax, including H.R. 2207, the Protect Medical Innovation Act of 2019. We applaud Representatives Ron Kind, Jackie Walorski, Scott Peters, and Richard Hudson for leading the effort on this bipartisan legislation, and urge you to cosponsor it. **Members who cosponsor this legislation will receive credit for the Leadership component of their “How They Voted” rating.**

We have [long opposed](#) this harmful tax as well as the Health Insurance Tax and the “Cadillac Tax,” due to the deleterious impact these taxes have on jobs, health insurance premiums and employer sponsored health care coverage. As we have strongly advocated for in the past, the Chamber supports proposals to further suspend these taxes even while we remain committed to their full repeal.

The 2.3% tax on the sale of virtually all medical devices leads to increased health care costs, undercutting one of the primary goals of ongoing health care reform efforts. Furthermore, by driving up the cost of medical technology, this tax undermines America’s global leadership position in product innovation, clinical research, and patient care. According to a 2017 [report](#) published by the Medicare Payment Advisory Commission, most companies within the industry are small businesses as “approximately 73% of all medical device firms have fewer than 20 employees and 88% have fewer than 100 employees.”

In a [survey](#) conducted by the Medical Device Manufacturers Association, of 100 industry executives found that 72% “slowed or halted job creation” to pay for the tax, and “80% would increase R&D investments in the cures and therapies,” if the tax were eliminated. Full repeal of the device tax would provide critical long-term relief to the medical technology industry and would spur the innovation necessary to find next generation treatments that Americans deserve.

The Chamber continues its support of health care reform that lowers costs, improves quality, expands access to health care, and protects American jobs.

Sincerely,



Neil L. Bradley