

December 9, 2015

The Honorable Kevin Brady  
Chairman, House Ways and Means Committee

The Honorable Sander M. Levin  
Ranking Member, House Ways and Means Committee

Dear Chairman Brady and Ranking Member Levin:

As Congress considers renewing tax extender legislation, Consumers Union, the policy and advocacy division of Consumer Reports, writes to strongly oppose a stop in the medical device tax as part of this legislation. The medical device tax is a critical revenue raiser for the Affordable Care Act and, thus, has helped expand coverage to millions of Americans who would otherwise be without health insurance. Though the medical device industry has claimed the excise tax harms industry employment, official employment numbers tell a different story.

Using employment numbers from the Bureau of Labor Statistics (BLS), Consumers Union examined the effects of the device tax on the health of medical device companies and found no available, independent evidence that the industry has been disproportionately harmed. Any fluxes in employment since the ramp up and implementation of the device tax amount to under half of 1 percent. Moreover, market analysts found the device industry actually added 23,500 jobs in 2013, the first year the tax was in effect. Spending on Research and Development, another important indicator of financial health, has grown steadily as well. Our full report, "Medical Device Tax: What's the Real Industry Impact?" is attached for more information.

The expanded health insurance coverage to millions of Americans provides health care industries, including the device industry, with millions of new, paying customers. It is only fair that this industry be asked to contribute to the funding of the law that it benefits from.

For this reason, we strongly oppose a stop in the medical device tax, especially as part of a critical legislative package like the tax extenders.

Sincerely,



Victoria Burack

Cc: House Ways and Means Committee

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