



January 10, 2018

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Paul Ryan  
Speaker  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives  
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Ryan, and Minority Leader Pelosi:

I am writing this letter on behalf of the members of the Healthcare Leadership Council (HLC) – chief executives from all disciplines within American healthcare – to urge that repeal (or at a minimum, delay) of the Affordable Care Act’s medical device tax and Health Insurance Tax be enacted by Congress this month before they do a significant disservice to patients and healthcare consumers.

This is the consensus view of HLC members, which include hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, pharmacies, post-acute care providers, and information technology companies. These companies share the concern that these taxes are not only harmful to the economy and job creation, but also undermine the nation’s effort to maintain and elevate an affordable, high-quality, and innovative healthcare system.

Both the medical device tax and Health Insurance Tax had been suspended, but went back into effect on January 1, 2018. It is essential that Congress act expeditiously to repeal these taxes before companies have to begin making payments to the federal government, leading to adverse ramifications for millions of Americans.

We have already seen what occurs as a result of the medical device tax. Before it was suspended, this tax forced companies to reduce their workforces and cut back their investments in research and development. Because the medical device tax is applied to revenues rather than income, it has a severely egregious effect, injuring even those enterprises that have newly-developed and innovative products but have not yet turned

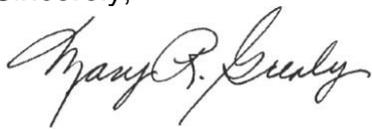
a profit. Projections show that, if it is allowed to remain in effect, this tax could lead to the loss of up to 25,000 jobs in the medtech sector by 2021.

The Health Insurance Tax will have an extremely broad impact, affecting over 100 million Americans whether they are in the individual health insurance exchanges, Medicare Advantage plans, Medicaid managed care plans, Part D prescription drug programs, stand-alone dental and vision plans, or are employed by small or large businesses. Analyses have shown that this tax will lead to significant premium increases in a marketplace that is already in need of more, not less, stability.

Repeal of each of these taxes has been demonstrated to have bipartisan support in both the Senate and House. It is abundantly clear that majorities of both parties would support including these repeal measures in legislation that must be enacted and signed by the president in January.

Again, this is not an issue that can be postponed until later in the year without severe consequences. These taxes have gone into effect and their harmful ramifications will soon be felt. We encourage and appreciate your leadership in passing repeal of both the medical device tax and Health Insurance Tax during the month of January. Should you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary R. Greal".

Mary R. Greal  
President