



November 20, 2017

The Honorable Orrin Hatch
United States Senate
Washington, D.C. 20510

Dear Senator Hatch:

On behalf of the Healthcare Leadership Council (HLC), I am writing to express our strong support for the repeal of the medical device tax. Thank you for introducing S. 108, the "Medical Device Access and Innovation Protection Act," on this important topic.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century healthcare system that makes affordable, high-quality care accessible to all Americans. Members of HLC – 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 – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

Like you, HLC supports healthcare innovation and believes that American ingenuity is critical to achieving a healthcare system that is more efficient, more effective, and of the highest quality.

The medical device tax impedes America's leadership in healthcare. Because healthcare companies faced with the tax are likely to cut their research and development budgets, the tax deters advances in healthcare that could improve and save patients' lives.

Additionally, the medical device tax limits economic growth and job creation. The 2.3% tax on revenue, rather than income, subjects the medical device industry to one of the highest corporate tax rates in the world. This is especially harmful to small businesses that are not yet profitable. When the tax was in effect from 2013-2015, 28,800 jobs were lost in the medical device industry. More jobs will be lost if the tax is not repealed.

Congress temporarily suspended the tax for 2016 and 2017. To fully support the medical device industry and protect American patients and workers, Congress must

include a repeal of the tax in any “must pass” legislative vehicles being considered this year.

Thank you again for your work on the medical device tax repeal. HLC looks forward to continuing to collaborate with you on this important issue. If you have any questions, please do not hesitate to contact Debbie Withey at (202) 449-3435.

Sincerely,

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

Mary R. Greal
President