



Better health through
laboratory medicine.

January 14, 2015

The Honorable Erik Paulsen
United States House of Representatives
127 Cannon House Office Building
Washington, DC 20515

Dear Representative Paulsen:

The American Association for Clinical Chemistry (AACC) endorses H.R.160, the “Protect Medical Innovation Act.” This legislation would repeal the 2.3 percent excise tax imposed on medical devices as part of the 2010 Affordable Care Act (ACA). We are concerned that this \$30 billion tax over ten years on medical device manufacturers will hinder the development of new technologies that have played a crucial role in improving patient care.

Starting in January 2013, medical device manufacturers began paying a \$194 million monthly excise tax as part of health care reform. Although AACC supports efforts to provide American consumers with greater access to quality health services, we believe this tax places an undue financial burden on device manufacturers that may harm one of the most dynamic and successful components of the health care sector.

Over the past few decades, advances in medical technology have contributed to significant gains in patient care. This progress, according to the Advanced Medical Technology Association, has contributed to a 16% reduction in annual mortality, a 25% cut in disability rates, a 56% cut in hospital days, and a 3.2 year increase in life expectancy. Unfortunately, higher taxes on device manufacturers could jeopardize these improvements. AACC looks forward to working with you to repeal this harmful tax.

By way of background, AACC is the principal scientific association of professional laboratorians—including MDs, PhDs and medical technologists. AACC’s members develop and use chemical concepts, procedures, techniques and instrumentation in health-related investigations and practice in hospitals, independent laboratories and the diagnostics industry worldwide. The AACC provides international leadership in advancing the practice and profession of clinical laboratory science and medicine and its applications to health care. If you have any questions, please call me at (404) 616-5489, or Vince Stine, PhD, AACC Director of Government Affairs, at (202) 835-8721.

Sincerely,

A handwritten signature in black ink that reads "David D. Koch".

David D. Koch, PhD, DABCC
President, AACC