

March 12, 2019

Senator Pat Toomey
248 Russell Senate Office Building
Washington, D.C.
20510

Senator Amy Klobuchar
425 Dirksen Senate Office Building
Washington, D.C.
20510

Dear Senator Toomey and Senator Klobuchar,

The [Alliance for Aging Research](http://www.agingresearch.org) is the leading non-profit organization dedicated to accelerating the pace of scientific discoveries and their application to improve the experience of aging and health. The Alliance believes that advances in research help people live longer, happier, more productive lives and reduce health care costs over the long term. We support policies that advance medical research and innovation and address the needs of aging patients. For this reason, the Alliance for Aging Research supports S. 692, the *Protect Medical Innovation Act of 2019*, a bill that amends the Internal Revenue Code to repeal the excise tax on medical devices. We applaud your leadership in introducing the bill in the Senate.

We believe the tax will negatively impact the United States medical technology industry's ability to develop new products that could improve the detection and treatment of age-related diseases and conditions, as well as the way we provide care for the aging population. The 2.3% medical device tax places an unnecessary burden on the medical device industry. Research has shown that medical device companies offset the decreases in profitability by cutting investments into research and development (R&D). In 2013, when the excise tax was active, R&D spending by the industry decreased by \$34 million¹. Additionally, there are some projections that as many 25,000² jobs could be lost by 2021 if the tax becomes active once again.

The unmet health challenges of older adults present an enormous financial and human burden. More resources—not less—are needed to address these challenges. Your support of this legislation will ensure that the American medical device industry remains at the forefront of innovations that will improve the living experiences of aging Americans. If you have any questions, please contact our Vice President of Public Policy, Missy Jenkins at (202) 293-2856 or at mjenkins@agingresearch.org.

Sincerely,



Susan Peschin, MHS
President and CEO

¹ Daeyong Lee, "Impact of the Excise Tax on Firm R&D and Performance in the Medical Device Industry: Evidence from the Affordable Care Act," *Research Policy* 47(5), June 2018, 854-871

² Book, Robert A. "Employment Effects of the Medical Device Tax." *American Action Forum*, 2 Mar. 2017,