

Thompson (MS)	Velázquez	Waxman
Tierney	Visclosky	Welch
Tonko	Waltz (MN)	Wilson (FL)
Towns	Wasserman	Woolsey
Tsongas	Schultz	Yarmuth
Van Hollen	Watt	

NOT VOTING—17

Akin	Cardoza	Marino
Baldwin	Coble	Paul
Barton (TX)	Duncan (SC)	Shuler
Bass (CA)	Filner	Slaughter
Berman	Kucinich	Waters
Bilirakis	Lewis (CA)	

□ 1427

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. FILNER. Mr. Speaker, on rollcall 358, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted “no.”

Stated for:

Mr. AKIN. Mr. Speaker, on rollcall No. 359, I was delayed and unable to vote. Had I been present I would have voted “aye.”

HEALTH CARE COST REDUCTION ACT OF 2012

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 679, I call up the bill (H.R. 436) to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices, and ask for its immediate consideration.

The Clerk read the title of the bill.

THE SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 679, in lieu of the amendment in the nature of a substitute recommended by the Committee on Ways and Means printed in the bill, the amendment in the nature of a substitute consisting of the text of Rules Committee Print 112-23 is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Health Care Cost Reduction Act of 2012”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Repeal of medical device excise tax.
- Sec. 3. Repeal of disqualification of expenses for over-the-counter drugs under certain accounts and arrangements.
- Sec. 4. Taxable distributions of unused balances under health flexible spending arrangements.
- Sec. 5. Recapture of overpayments resulting from certain federally-subsidized health insurance.

**SEC. 2. REPEAL OF MEDICAL DEVICE EXCISE TAX.**

(a) **IN GENERAL.**—Chapter 32 of the Internal Revenue Code of 1986 is amended by striking subchapter E.

(b) **CONFORMING AMENDMENTS.**—

(1) Subsection (a) of section 4221 of such Code is amended by striking the last sentence.

(2) Paragraph (2) of section 6416(b) of such Code is amended by striking the last sentence.

(c) **CLERICAL AMENDMENT.**—The table of subchapters for chapter 32 of such Code is amended by striking the item relating to subchapter E.

**SEC. 3. REPEAL OF DISQUALIFICATION OF EXPENSES FOR OVER-THE-COUNTER DRUGS UNDER CERTAIN ACCOUNTS AND ARRANGEMENTS.**

(a) **HSAS.**—Subparagraph (A) of section 223(d)(2) of the Internal Revenue Code of 1986 is amended by striking the last sentence.

(b) **ARCHER MSAS.**—Subparagraph (A) of section 220(d)(2) of such Code is amended by striking the last sentence.

(c) **HEALTH FLEXIBLE SPENDING ARRANGEMENTS AND HEALTH REIMBURSEMENT ARRANGEMENTS.**—Section 106 of such Code is amended by striking subsection (f).

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to expenses incurred after December 31, 2012.

**SEC. 4. TAXABLE DISTRIBUTIONS OF UNUSED BALANCES UNDER HEALTH FLEXIBLE SPENDING ARRANGEMENTS.**

(a) **IN GENERAL.**—Section 125 of the Internal Revenue Code of 1986 is amended by redesignating subsections (k) and (l) as subsections (l) and (m), respectively, and by inserting after subsection (j) the following new subsection:

“(k) **TAXABLE DISTRIBUTIONS OF UNUSED BALANCES UNDER HEALTH FLEXIBLE SPENDING ARRANGEMENTS.**—

“(1) **IN GENERAL.**—For purposes of this section and sections 105(b) and 106, a plan or other arrangement which (but for any qualified distribution) would be a health flexible spending arrangement shall not fail to be treated as a cafeteria plan or health flexible spending arrangement (and shall not fail to be treated as an accident or health plan) merely because such arrangement provides for qualified distributions.

“(2) **QUALIFIED DISTRIBUTIONS.**—For purposes of this subsection, the term ‘qualified distribution’ means any distribution to an individual under the arrangement referred to in paragraph (1) with respect to any plan year if—

“(A) such distribution is made after the last date on which requests for reimbursement under such arrangement for such plan year may be made and not later than the end of the 7th month following the close of such plan year, and

“(B) such distribution does not exceed the lesser of—

- “(i) \$500, or
- “(ii) the excess of—

“(1) the salary reduction contributions made under such arrangement for such plan year, over

“(II) the reimbursements for expenses incurred for medical care made under such arrangement for such plan year.

“(3) **TAX TREATMENT OF QUALIFIED DISTRIBUTIONS.**—Qualified distributions shall be includible in the gross income of the employee in the taxable year in which distributed and shall be taken into account as wages or compensation under the applicable provisions of subtitle C when so distributed.

“(4) **COORDINATION WITH QUALIFIED RESERVIST DISTRIBUTIONS.**—A qualified reservist distribution (as defined in subsection (h)(2)) shall not be treated as a qualified distribution and shall not be taken into account in applying the limitation of paragraph (2)(B)(i).”.

(b) **CONFORMING AMENDMENT.**—Paragraph (1) of section 409A(d) of such Code is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) a health flexible spending arrangement to which subsection (h) or (k) of section 125 applies.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2012.

**SEC. 5. RECAPTURE OF OVERPAYMENTS RESULTING FROM CERTAIN FEDERALLY-SUBSIDIZED HEALTH INSURANCE.**

(a) **IN GENERAL.**—Paragraph (2) of section 36B(f) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B).

(b) **CONFORMING AMENDMENT.**—So much of paragraph (2) of section 36B(f) of such Code, as amended by subsection (a), as precedes “advance payments” is amended to read as follows: “(2) **EXCESS ADVANCE PAYMENTS.**—If the”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years ending after December 31, 2013.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 45 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

□ 1430

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on H.R. 436.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

I come to the floor today in support of H.R. 436, the Health Care Cost Reduction Act of 2012.

This bill would repeal two of the harmful tax hikes contained in the Democrats’ health care law: the medical device tax and restrictions on using health-related savings accounts for over-the-counter medication.

The legislation also includes a provision that will increase flexibility for health care consumers who use flexible spending arrangements. All are fully paid for by recouping overpayments of taxpayer-funded subsidies used to purchase health care in the government-run exchanges. Notably, every one of these provisions has bipartisan support.

As a result of ObamaCare, beginning in 2013, a 2.3 percent tax will be imposed on the sale of medical devices by manufacturers or importers. This tax will increase the effective tax rate for many medical technology companies, threatening higher costs, job loss, and reduced investment here at home. One study predicts that as many as 43,000 American jobs are at risk if this goes into place.

A recent Washington Post piece by George Will reinforced the threat to job creation and investment, noting that Zimmer—based in Indiana—is laying off 450 workers and taking a \$50 million charge against earnings; Medtronic expects an annual charge against earnings of \$175 million; and ZOLL Medical Corporation’s CEO, Rich Packer, says the tax will impact the company’s investment in research and development, stating that means fewer jobs for engineers. Plain and simple, this tax hike is a job killer, and it must be repealed. I commend committee member ERIK PAULSEN for introducing this legislation.

Another ObamaCare tax increase, the medicine-cabinet tax, imposes new restrictions on the purchase of over-the-counter medications through tax-advantaged accounts used to pay for health care-related needs. Because of the Democrats' health care law, patients must now get a prescription from a physician if they want to use these accounts to pay for over-the-counter medications. The ban affects everyday lives. It prevents a mom from using her FSA in the middle of the night to buy cough medicine for her sick child without a prescription. It also leaves doctors saddled with unnecessary appointments to get a prescription so that a parent can use their FSA to buy Claritin for their son's allergies.

One study estimates that even eliminating half of these unnecessary appointments could save patients time and the health care system more than 20 million visits each year, reaping a savings of more than \$5 billion. These new restrictions must be repealed, and I'm happy that the provision introduced by committee member LYNN JENKINS is being considered today.

The last provision is a new approach that allows consumers the freedom and flexibility to keep more of their money. Under current law, employees' FSA balances must be spent by the end of the year or they will forfeit any unused balance back to their employers under the use-it-or-lose-it rule. Such a rule encourages wasteful and needless spending at the end of the year. This legislation would allow participants to cash out up to \$500 in FSA balances, and those funds would be treated as regular taxable wages.

Allowing Americans to keep more of their hard-earned dollars in these difficult times is a commonsense goal that should be widely supported. This provision, championed by Dr. BOUSTANY, is a commonsense one; and I urge its passage.

Finally, I would like to take just a moment to talk about the offset for this legislation, asking those who receive higher tax payer-funded premium subsidies than they are eligible to receive to repay all of the overpayment. Let me be clear: this is a bipartisan offset. Increasing the amount of overpayments to be repaid was a proposal first put forward by congressional Democrats in the 2010 Medicare doc-fix legislation which passed the Democrat-controlled House 409-2. Such an offset was used again when the House passed and the President signed the 1099 repeal last year and more than 70 Democrats supported that bill. In fact, Health and Human Services Secretary Sebelius said:

Paying back subsidy overpayments makes it fairer for all taxpayers.

This legislation, and the provisions included here, are supported by job creators big and small, patient advocates, senior organizations, and physician groups. I urge my colleagues to join me in supporting these groups by voting for the Health Care Cost Reduction Act.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

This bill is mainly a smoke screen. It is an effort to cover up the failure, indeed the refusal, of Republicans to act on the key issue facing our Nation: jobs and economic growth.

As ranking member, I sent a letter last Friday to DAVE CAMP, who chairs the committee with the jurisdiction over the bill before us today, urging action on six major jobs bills within the committee's jurisdiction: extension of the section 48(c) advanced energy manufacturing credit; extension of the production tax credit for wind power and other vital advanced-energy incentives; extension of the highly successful build America bonds program, which financed more than \$180 billion in infrastructure investment; extension of the 100 percent bonus depreciation; creation of a 10 percent income tax credit for small businesses that do create new jobs or increase their payroll; an extension of a jobs-related expired provision, such as the R&D tax credit.

The answer: silence and continued inaction by Republicans in this House.

Another bill over which the committee has jurisdiction, the highway bill, remains unacted upon. That bill would mean millions of jobs. No action. The Republican House message on the highway bill is: our way or the highway. And that means no highways.

It is June. There is now the likelihood of no action or none before the construction season is over in numerous States. That inaction is not an accident. It is deliberate. It is implementing the goal stated 20 months ago by the Senate Republican leader:

"The single most important thing we want to achieve is for President Obama to be a one-term President."

It is reflected in the recent interview by the House Republican leader. Mr. CANTOR said the rest of the year will likely be about "sending signals, we have huge problems to deal with."

Sending signals? The American people don't need and want signals. They need for us to take action to strengthen the economic recovery.

We will hear today Republican efforts to describe the bill before us to repeal the tax on medical devices as a jobs bill. What it really is is another Republican effort to repeal health care reform, step by step, costing, in this case, \$29 billion.

We Democrats want more Americans to have access to medical devices. Health care reform helps do this by expanding insurance coverage to over 30 million individuals, which indeed will help the growth of and the innovation in the medical device industry. And as was true for other health groups benefiting from increases in health coverage, the medical device industry was asked to help to pay for health care reform so it would be fully paid for, not add to the deficit, as so many Republican measures, but it would be fully paid for.

□ 1440

They signed a letter with others pledging:

"We, as stakeholder representatives, are committed to doing our part to make reform a reality in order to make the system more affordable and effective for patients and purchasers. We stand ready to work with you to accomplish this goal."

The first signature on that letter is from and by the President and CEO of the Advanced Medical Technology Association.

Now the Republicans are attempting to give that industry a free pass—a free pass—contrary to their stated commitment. The industry has not proposed any alternative whatsoever to meet that obligation reflected in the letter they signed. There is an effort here to cast repeal of the tax as a small business bill.

The 10 largest companies in this submarket would pay 86 percent of the taxes relating to nondiagnostic devices. According to CRS, the 10 largest companies that manufacture medical devices had total companywide profits on all their lines of businesses, both devices and other products, of \$42 billion in 2010, including companies mentioned here, and \$48 billion in 2011, and these companies had gross revenues from the sale of medical devices in 2010 of \$133 billion.

There was an effort here also to cast the bill as an effort to stop offshoring, but this point needs to be made. It's a fact: The tax applies to all covered devices, including those that are imported. So if anybody thinks they can just move overseas and bring it back here and not pay a tax, they're simply incorrect.

The effort to cast this as a jobs bill involved allegations repeated here during the debate on the rule, which were analyzed by a neutral source and found to be simply erroneous. A Bloomberg group analysis made that clear: "The study used by Republicans cites no evidence for the job loss claim."

Further, the study's assumptions, "conflict with economic research, overstate companies' incentives to move jobs offshore, and ignore the positive effect of new demand" created by the health care reform law.

Before Rules yesterday, I asked that my substitute be placed in order to allow debate on two real jobs initiatives mentioned in my letter to you, Chairman CAMP: a tax credit for employers that expand their payrolls, and an extension of bonus depreciation. Those two provisions would help create hundreds of thousands of jobs, not speculation, but real, including in small businesses. This has not been allowed.

So we have open rules, as we have seen the last few days on some bills, that often mainly result in numerous amendments, shifting some monies from one place to another in an agency, not often helping to create a single job, but a closed rule when it comes to

bringing up provisions helping to create American jobs and economic growth.

This is further evidence of what is really going on here in this Congress, a deliberate effort now increasingly undisguised to close the door on action to engender job creation and economic growth before the election.

November 6 is what is driving the Republican Congress. Politics, not people. That is only not cynical, it is, indeed, pernicious. We owe it to the American people to blow the whistle on this. Too much, indeed, is at stake.

NATIONAL WOMEN'S LAW CENTER,  
Washington, DC, June 6, 2012.

Re Vote No on Protect Medical Innovation Act of 2011, H.R. 436.

DEAR REPRESENTATIVE: The National Women's Law Center writes in strong opposition to H.R. 436, the Protect Medical Innovation Act of 2011, because it would undermine a critical protection in the Affordable Care Act (ACA) and reduce financial security for women and families. The bill would pay for the elimination of the modest excise tax on medical devices and other revenue provisions of the ACA by increasing the tax liability of individuals and families receiving premium tax credits through the new insurance exchanges.

The modest excise tax on medical devices is a fair way to raise revenue to help finance affordable health care coverage for millions of Americans. The expansion of health care coverage will benefit a wide range of health-related industries, including the medical device industry, by increasing demand for their products. Other industries in the health sector are contributing to financing an expansion from which they will profit; it is entirely appropriate to require the medical device industry to make a contribution as well. The tax will have minimal impact on consumers, because it does not apply to medical devices that consumers buy at retail, such as eyeglasses or hearing aids, and spending on taxable medical devices represents less than one percent of total personal health expenditures. And the tax will not encourage manufacturers to shift production overseas: it applies equally to imported and domestically produced devices, and devices produced in the United States for export are not subject to the tax. Repealing this tax and forgoing \$29 billion in needed revenues would be irresponsible—even without the outrageous step of imposing this cost directly on Americans without access to affordable health care coverage.

Increasing the tax liability of individuals and families receiving premium tax credits for health insurance coverage is unfair and would reduce coverage for hundreds of thousands of Americans. The ACA provides premium tax credits to families with household income at or below 400 percent of poverty who enroll in coverage through an exchange. An advance payment of the premium tax credit will go directly to insurance companies so that the monthly insurance premium paid by families is reduced, thereby making health coverage more affordable for millions of families. However, there is a "reconciliation" at the end of the year when a family files taxes to ensure that the right amount of credit was paid to the insurer on the family's behalf. The "reconciliation" is based on actual household income for the year, while the advance payment is based on a projection that could be based on current income or past tax returns. The ACA included an important protection by including a cap on the amount of repayment penalty a family would have to pay based on "reconciliation."

The proposal expected this week would entirely eliminate this protection, leaving families vulnerable to an unaffordable tax bill. Many families will be discouraged from enrolling in coverage because of the potential tax liability at the end of the year. Much of the savings from the proposal are achieved because hundreds of thousands of people are expected to refuse coverage if the cap is eliminated. Women will be particularly affected by the elimination of the cap. Women have lower incomes than men and experience larger income variability from one year to another. This suggests women will be more at risk for repayment penalties. Women also often make the health care decisions for the family and will be faced with the difficult decision of enrolling in affordable coverage or forgoing that coverage because of a potential tax penalty.

The cap on the repayment penalty has already been increased. Eliminating the cap would eliminate all protections for families that are doing their best to provide the right information to the exchange but face mid-year changes in income or family size. A server in a restaurant could gain new shifts or be promoted to manager. An employer may give unexpected bonuses in December. A couple could get married mid-year without fully understanding the impact on household income and poverty level. The cap on the repayment penalty needs to remain in place in order to protect families and provide the stability promised in the ACA.

We urge you to protect the security of families and the revenue provisions of the Affordable Care Act so millions of Americans can receive affordable health care by voting no on H.R. 436 and any proposal to eliminate the cap on the repayment penalty.

Very truly yours,

JUDY WAXMAN,  
*Vice President, Health  
and Reproductive  
Rights.*

JOAN ENTMACHER,  
*Vice President, Family  
Economic Security.*

CONSUMERSUNION,  
Yonkers, NY, June 6, 2012.

Hon. PETE STARK,  
U.S. House of Representatives, Cannon House  
Office Building, Washington, DC.

DEAR CONGRESSMAN STARK: Consumers Union, the advocacy arm of Consumer Reports, urges you to oppose H.R. 436. This bill would subject consumers seeking to afford health insurance to unfair penalties in order to pay for repeal of the medical device excise tax under the Affordable Care Act (ACA). The Congressional Budget Office estimates that repealing the device tax would cost \$29 billion dollars over the next ten years. CU opposes measures that would undermine the Affordable Care Act's financing and thus jeopardize the expansion of health insurance coverage to currently uninsured or underinsured individuals.

Proponents of the device tax repeal argue that it would hinder the device industry's competitiveness and ultimately force manufacturers to move jobs overseas. But the excise tax was structured in such a way as to avoid this result. The 2.3 percent excise tax applies to imported as well as domestically manufactured devices but does NOT apply to exports. Thus, it should not disadvantage American manufacturers trying to sell products abroad. Nor would it disadvantage domestically produced products sold in the US, as foreign competitors are subject to the same tax.

When fully implemented the ACA is expected to create 30 million newly insured consumers in the health sector. The Affordable Care Act finances the expansion of cov-

erage by a range of payment modifications to other sectors of the health industry. The medical device industry also stands to gain from the increased demand for medical devices that a large newly insured population will bring. The device tax does not apply to devices that individuals can buy retail such as hearing aids and eye glasses. The device industry makes the case that many devices are used in acute care settings, where care may be provided whether a person is insured or not. But this would ignore the many devices that are used for joint replacement, treatment of incontinence and other non acute surgeries and treatments. It is only fair that the device industry pays its share in exchange for significant new revenue opportunities.

Further, CU opposes the proposed offset for the legislation, the elimination of caps on subsidy repayments for individuals.

Under the ACA, eligibility for tax credits subsidies to purchase private plans through health exchanges will be based on an individual's annual income, determined retrospectively when taxes are filed. To ease the cash flow considerations associated with purchasing coverage, these credits are advanceable, meaning that families can receive an estimate of their credit and use those funds to pay for coverage earlier in the year. However, since many low- and middle-income families experience income variation throughout the year due to job changes, seasonal employment and the like, it may mean that too much or too little credit was awarded during the year.

The law currently current caps the amount individuals must pay back in the event of this circumstance. We believe that the current cap structure strikes a balance between discouraging individuals from abusing the system and taking money to which they are not entitled and not penalizing individuals for working hard to increase their family income so as not to need a subsidy. Last year Congress lowered these caps, exposing subsidy users to more liability. We fear eliminating these caps would have a chilling effect on low income family's willingness to use the subsidies to purchase insurance.

For these reasons Consumers Union urges you to reject H.R. 436. We look forward to working with you on more constructive ways to improve the ACA in the future.

Sincerely,

DEANN FRIEDHOLM,  
*Director,  
Health Care Reform.*

I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I yield 2½ minutes to a distinguished member of the Ways and Means Committee, Mr. PAULSEN of Minnesota.

Mr. PAULSEN. I thank the chairman for yielding, and I thank him for his leadership on the committee as well.

Mr. Speaker and Members, the medical technology industry is one of America's greatest success stories. This is an industry that has led the global device industry for decades with life-improving, lifesaving technologies that help patients and literally save lives.

This device industry employs 423,000 Americans across the country. Some of our States, like Minnesota, have a high propensity because we have a huge ecosystem of medical technology—35,000 jobs, alone, in my State.

But all that will change, Mr. Speaker, unless we act to stop a new medical device, a new \$29 million tax that is

going to be imposed in just a little over 6 months that was part of the President's new health care law. Now, this is an excise tax. It is not on profits. It is a tax that is going to be on revenue.

What does that mean? Well, we all know the names of the big companies that are successful and do really well across the country and sell throughout the world.

I will tell you this: almost every week I get a chance to tour a company that has five employees, that has 10 employees. You have never heard of these companies, but they are working on lifesaving and life-improving technologies. They are doctors. They are engineers. They are entrepreneurs. They are innovators. This tax will change all that because it's estimated that this tax will cost 10 percent of the workforce.

I talked to a company earlier this day, a CEO of a company earlier today, of a 13-year-old medical device company. It employs 1,500 workers here in the United States, and he's consistently added 300 jobs a year for the last few years. He said, point blank, if this tax goes into effect, it will cost the company \$14 million. That means 200 people less will be hired this next year.

Mr. Speaker, what is worse to point out, companies are already preparing right now for the impact of this tax. Companies are already laying off employees. We have heard of companies in Michigan that are laying off 5 percent of their workforce in anticipation of the tax. So, Mr. Speaker, jobs are clearly at risk.

And this will especially hit startup companies hard, companies that are not yet profitable, because this is a tax on revenue, not on profits.

We have a chance and an opportunity to stop this tax dead in its tracks because it's an opportunity to protect jobs. We passed the bill in committee just a week ago, under the chairman's leadership, with bipartisan support. We have 240 coauthors of support for this legislation with bipartisan support. I anticipate we will be successful moving forward.

I ask and urge support for the legislation.

Mr. LEVIN. I yield 3 minutes to the distinguished gentleman from California, a senior member of our committee, Mr. STARK.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. I thank the gentleman for yielding.

I rise in strong opposition to H.R. 436, one more piece of Republican legislation that protects special interests at the expense of working with families. This is just another message in an attempt to undercut the Affordable Care Act. It repeals a small excise tax imposed on the medical device industry as their contribution to health reform in light of their expanded market.

I might remind you that repealing this tax costs \$29 billion in deficit losses.

□ 1450

How do they finance this legislation? Like they always do—take it out of the hides of low- and middle-income working families and give it to rich manufacturers.

The bill eliminates protections in the health reform law that prevent families from potentially being hit with an unexpected tax because of unforeseen income changes. According to the Joint Committee, this change by the Republicans would cost over 350,000 people to become uninsured.

It's important to note that the medical device industry stood with President Obama and others in the health care industry in May of 2009 and pledged to contribute their fair share toward making health reform a reality. Well, it's time to put your money where your mouth was.

The medical device industry gains more than 30 million newly insured Americans through health reform, many of whom will use medical devices at some point in their lives. Our analysis shows that the vast majority of this tax would be paid by the 10 largest device companies—and they're all highly profitable.

Protecting the very profitable medical device industry from paying a small contribution toward health reform should not be our priority in this Congress. We must create jobs, ensure patients maintain access to physicians and Medicare, and prevent student loan rates from doubling on July 1. Those are the priorities facing our Nation.

I urge all of my colleagues to join me in voting "no" on this Republican giveaway to special interests.

Mr. Speaker, I am submitting the following Statement of Administration Policy opposing H.R. 436, the Protect Medical Innovation Act, as well as letters in opposition to the bill.

STATEMENT OF ADMINISTRATION POLICY  
H.R. 436—HEALTH CARE COST REDUCTION ACT OF 2012  
(Rep. Camp, R-Michigan, and 240 cosponsors, June 6, 2012)

The Affordable Care Act made significant improvements to the Nation's health care system that are helping to improve individuals' health and give American families and small business owners more control of their own health care. These important changes include: ending the worst practices of insurance companies; giving uninsured individuals and small business owners the same kind of choice of private health insurance that Members of Congress have; and bringing down the cost of health care for families and businesses while also reducing Federal budget deficits.

H.R. 436, which would repeal the medical device excise tax, does not advance these goals. The medical device industry, like others, will benefit from an additional 30 million potential consumers who will gain health coverage under the Affordable Care Act starting in 2014. This excise tax is one of several designed so that industries that gain from the coverage expansion will help offset the cost of that expansion.

This tax break, as well as other provisions in the legislation relating to tax-favored health spending arrangements, would be funded by increased repayments of the Af-

fordable Care Act's advance premium tax credits, which would raise taxes on middle-class and low-income families, in many cases totaling thousands of dollars, notwithstanding that they followed the rules. This legislation would also increase the number of uninsured Americans.

In sum, H.R. 436 would fund tax breaks for industry by raising taxes on middle-class and low-income families. Instead of working together to reduce health care costs, H.R. 436 chooses to re-fight old political battles over health care. If the President were presented with H.R. 436, his senior advisors would recommend that he veto the bill.

CONSUMER GROUPS OPPOSE H.R. 436

"This bill would subject consumers seeking to afford health insurance to unfair penalties in order to pay for repeal of the medical device excise tax . . . When fully implemented the ACA is expected to create 30 million newly insured consumers in the health sector . . . The medical device industry also stands to gain from the increased demand for medical devices that a large newly insured population will bring . . . It is only fair that the device industry pays its share in exchange for significant new revenue opportunities."—Consumers Union.

"Medical devices are a \$65 billion industry that has seen double-digit growth in each of the last five years. A small 2.3% tax is reasonable considering the substantial sales growth they will experience when health insurance benefits are extended to an additional 33 million people beginning in 2014. Repealing the [medical device] tax would be a gift to large corporations at the expense of middle-class families."—Health Care for America NOW!

"The Affordable Care Act established taxes on a wide range of industries that will benefit from the law . . . it is simply punitive to demand that low and middle-income families be asked to fund a tax cut for a profitable industry that refuses to do its share."—American Federation of State, County and Municipal Employees, AFL-CIO.

"The expansion of health care coverage will benefit a wide range of health-related industries, including the medical device industry, by increasing demand for their products. Other industries in the health sector are contributing to financing an expansion from which they will profit; it is entirely appropriate to require the medical device industry to make a contribution as well . . . Repealing this tax and forgoing \$29 billion in needed revenues would be irresponsible—even without the outrageous step of imposing this cost directly on Americans without access to affordable health care coverage."—National Women's Law Center.

"The Affordable Care Act protects consumers by capping the tax penalty they will owe if the monthly premium credit received during the year exceeds the amount of credit due based on unexpected changes in income or family status. Eliminating the caps on repayment will force lower- and middle-income individuals and families to make a difficult decision: Receive advance payments and risk having to pay back some or all of the premium assistance received at the time of reconciliation or go without coverage."—Families USA.

HEALTH CARE FOR AMERICA NOW,  
June 6, 2012.

DEAR REPRESENTATIVE: On behalf of Health Care for America Now, the nation's leading grassroots health care advocacy coalition, we urge you to oppose H.R. 436, a bill to take away money from middle-class families who purchase health insurance with the assistance of premium tax credits and give it to

medical device manufacturers. The provision would raise taxes on families whose midyear changes in income or circumstances cause a year-end recalculation of their premium tax credit.

Medical devices are a \$65 billion industry that has seen double-digit growth in each of the last five years. A small 2.3% tax is reasonable considering the substantial sales growth they will experience when health insurance benefits are extended to an additional 33 million people beginning in 2014.

Repealing the tax would be a gift to large corporations at the expense of middle-class families. Under current law, families without an offer of affordable insurance at work will receive premium subsidies based on income. Changes during the year—when someone gets a new job or receives a raise or when a family member obtains other coverage—might cause the amount of the advance payment to differ from the payment calculated in the end-of-year reconciliation, even when income changes have been reported in an accurate and timely way. Under existing law, families are required to repay any excess credit, but that repayment is capped for low- and middle-income families earning less than 400% of the federal poverty level.

This legislation removes the repayment cap and jeopardizes the financial security of middle-income families who face unexpected lump-sum repayments. Fear of repayment will cause approximately 350,000 people to refuse the premium tax credit assistance and go uninsured and unprotected against potentially catastrophic health problems and medical bills. Over time, the consequence will be fewer families with insurance and higher premiums for everyone else who buys health insurance coverage.

This bill is another partisan attempt to undermine the Affordable Care Act and demonstrates troubling priorities. We should not increase the number of uninsured in order to give tax breaks to wealthy corporations. We urge you to oppose this measure.

Sincerely,

ETHAN ROME,  
*Executive Director.*

AMERICAN FEDERATION OF STATE,  
COUNTY, AND MUNICIPAL EMPLOYEES.

*Washington, DC, June 6, 2012.*

DEAR REPRESENTATIVE: On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to urge you to oppose H.R. 436 which is scheduled for consideration this week.

H.R. 436 would repeal the excise tax on medical devices that was enacted to help pay for health care reform. The Affordable Care Act established taxes on a wide range of industries that will benefit from the law, including hospitals, home health agencies, clinical laboratories, insurance companies, drug companies and the manufacturers of medical devices. In fighting to repeal the tax, the industry has made dubious claims about the impact it will have on jobs. In fact, an analysis by Bloomberg Government concluded that the effect of the tax "could be offset by demand from millions of new customers." No doubt, the prospect of millions of new paying customers led other industries to accept a share of the cost of achieving reform.

The Joint Committee on Taxation estimates that repealing the excise tax would cost \$29 billion over 10 years. In order to pay for this loss of revenue, H.R. 436 would eliminate the caps on repayments of subsidies received by families who later experience an improvement in their financial circumstances. Such an improvement might come about as the result of a new job or a marriage.

Because it is hard to predict the future and because the repayments could far exceed the penalty for failing to obtain coverage, many people will choose to forgo coverage. The Joint Committee on Taxation estimates that it would cause 350,000 people to choose to remain uncovered. As this is likely to be a healthier group, participants in the exchange risk pool would be less healthy, leading to higher premiums in the exchange. Moreover, it is simply punitive to demand that low- and middle-income families be asked to fund a tax cut for a profitable industry that refuses to do its share.

We urge you to oppose H.R. 436.

Sincerely,

CHARLES M. LOVELESS,  
*Director of Federal Government Affairs.*

JUNE 7, 2012.

HON. PETE STARK,  
*House of Representatives,*  
*Washington, DC.*

DEAR CONGRESSMAN STARK: On behalf of the American Cancer Society Cancer Action Network, American Diabetes Association, and American Heart Association, we are writing to express our concerns about the offset used in H.R. 436, the Health Care Cost Reduction Act. Collectively our organizations represent the interests of patients, survivors and families affected by four of the nation's most prevalent, deadly and costly chronic conditions, cancer, diabetes, heart disease and stroke.

We are deeply concerned that repealing the repayment caps for low- and moderate-income families who are eligible to receive tax credits to help make insurance coverage affordable would undermine the goals of the Affordable Care Act and result in an estimated additional 350,000 Americans going uninsured, according to the Joint Committee on Taxation. This policy would discourage individuals and families from enrolling in health insurance coverage through state-based exchanges.

Moreover, the policy could disproportionately affect people with chronic conditions like cancer, heart disease and diabetes for two reasons. First, in the exchanges, premiums will be age adjusted, and because people with chronic conditions are generally older, their premiums will be relatively more. Thus, if they have to repay part of a subsidy that was used to purchase health insurance, the amount will be relatively large. Also, the fear of having to potentially pay back part of a subsidy may make them less willing to obtain the coverage they need. Second, some younger and relatively healthy people may also choose not to enroll and use a subsidy to help them purchase health insurance because they fear a change in income may put them at risk of having to return part of the subsidy to the government. The loss of young, healthy people in the insurance pools undermines the overarching goal of universal coverage and raises the premiums of those who remain in the pools.

Thank you for your consideration of our views.

Sincerely,

CHRISTOPHER W. HANSEN,  
*President, American*  
*Cancer Society, Cancer*  
*Action, Network;*  
SHEREEN ARENT,

*Executive Vice President,*  
*Gov't Affairs & Advocacy,*  
*American Diabetes Assn.;*

MARK A. SCHOEBERL,  
*Executive Vice President,*  
*Advocacy & Health Quality,*  
*American Heart Assn.*

*Washington, DC, June 5, 2012.*

HOUSE OF REPRESENTATIVES,  
*Washington, DC.*

DEAR REPRESENTATIVE: On behalf of Families USA, the national organization for health care consumers, we are writing to express strong opposition to a proposal likely to be considered on the House floor this week that would undermine protections in the Affordable Care Act for middle-class families and put the financial security of these families at risk.

The proposal being considered as part of H.R. 436, the Protect Medical Innovation Act of 2011, would eliminate what remains of a "safe harbor" that protects individuals and families from substantial tax penalties. We urge you to reject this proposal.

Under the Affordable Care Act, families with annual income at or below 400 percent of poverty (\$92,200 for a family of four in 2012) are eligible to receive tax credits to help pay for the cost of their health insurance premiums. Families can get credits paid to insurance companies on a monthly basis to offset the cost of monthly premiums. At the end of the year, families face a "reconciliation" to ensure that the right amount of credit was paid, based on a family's actual—rather than projected—income. The Affordable Care Act protects consumers by capping the tax penalty they will owe if the monthly premium credit received during the year exceeds the amount of credit due based on unexpected changes in income or family status.

Eliminating the caps on repayment will force lower- and middle-income individuals and families to make a difficult decision: Receive advance payments and risk having to pay back some or all of the premium assistance received at the time of reconciliation or go without coverage. The problem with this is threefold:

(1) Eliminating the safe harbor will likely result in millions of Americans remaining uninsured. The fear of facing sizeable repayment penalties at the time of tax filing would create a powerful disincentive for individuals and families to take up the premium credits and enroll in exchange coverage.

(2) Eliminating the safe harbor runs counter to the coverage and cost-containment goals of the Affordable Care Act. By undermining the affordability and availability of coverage for lower- and middle-income individuals and families, this proposal would also lessen the ability of the Affordable Care Act to help bring the cost of care and coverage under control for all Americans.

(3) Eliminating the safe harbor undermines the effectiveness of the tax credits. Families who choose to receive advance payments and then face a tax penalty at the time of reconciliation will be, understandably, angry. Likewise, those who choose to forgo the receipt of advance payments and cannot afford coverage as a result will be upset that they must go without coverage and pay a penalty because of it.

Sincerely,

RONALD F. POLLACK,  
*Executive Director.*

Mr. CAMP. I yield 2½ minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Kansas (Ms. JENKINS).

Ms. JENKINS. I thank the gentleman for yielding, and I thank him for his leadership on this very important issue.

Mr. Speaker, last Thursday, H.R. 5842, the Restoring Access to Medication Act, which I authored and introduced, passed out of the full Ways and

Means Committee markup with bipartisan support. It is now included in this bill that is being considered on the floor today.

We all know the President's health care law is full of pitfalls that make health care more expensive for average Americans. While we await the Supreme Court's ruling on constitutionality of the entire health care overhaul, there is bipartisan, bicameral agreement that requiring folks to have a doctor's prescription to buy medicine as simple as Advil or cough syrup with their health savings account or flexible savings account is simply wrong.

This provision would repeal the unnecessary and punitive ObamaCare limitation on reimbursement of over-the-counter medications from health FSAs, HRAs, and Archer MSAs that took effect back in 2011. Given the economic climate where jobs are hard to find, families are struggling to make ends meet; and when every dollar counts, this provision ensures that consumers have the flexibility to use these savings accounts as they see fit to purchase over-the-counter medications they need, exactly when they need them.

Republicans are committed to looking for commonsense solutions that address the chief concern facing both families and employers: costs. This bill and this provision is about lowering costs so both families and job creators have some of the relief that ObamaCare failed to achieve.

I urge my colleagues to support H.R. 436 today.

Mr. LEVIN. It is now my pleasure to yield 3 minutes to another important member of our committee, the gentleman from Seattle, Washington (Mr. McDERMOTT).

(Mr. McDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, I never cease to be amazed. I think I've seen the silliest thing in the world and then I come out here and they've done it again.

Sometime in the next 23 days, the Supreme Court is going to make a ruling on whether the Affordable Care Act is constitutional. If they throw it out, as the Republican Party at prayer is hoping, this tax will have never existed. It will be gone because it's never been implemented. It's not affecting anybody. This is a PR stunt for the election. The Republicans are helping the device industry back out of a deal they made during health care reform.

In May 2009, the president of AdvaMed, which is the professional organization of the device manufacturers, signed a letter to President Obama stating: "We are ready to work with you" to do health reform.

The industry later agreed to the excise tax, knowing the cost would be offset by the new demands for devices created by the 30 million new people who would be insured. That was the deal they made.

You can't make a deal with a Republican and think it's going to last. It surely won't. And all the other sectors of the health care industry made similar deals.

Unlike the Bush-era Congress, the Democrats insisted their legislation be paid for. We paid for the whole thing. Well, guess what? AdvaMed now wants out of the deal. They never meant it. They were a flim-flam operation when they came in in the first place. They also claim that, Oh, my God, we're going to lose 43,000 jobs. You know who did the study? AdvaMed contracted with somebody to do a study; and lo and behold, they lost 43,000 jobs. Bloomberg had an independent consultant look at it, and they find that there is no evidence that there will be any jobs lost whatsoever. That was entered into the RECORD during the earlier debate, and I won't do it again.

The demand for devices will remain steady even after the tax kicks in, and the tax does not only apply to devices made in America and shipped overseas. It applies to every one of them. There's no way you're going to get out of it.

So the argument about offshoring jobs is just political nonsense. They want to call this is a jobs bill—we're saving 43,000 jobs. They were never in doubt, never in question.

That a company is laying off somebody today in anticipation of a tax that goes in effect in 2013, folks, 6 months from now that might be repealed by the Supreme Court, you cannot tell me that the management of these companies are that foolish.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 1 minute.

Mr. McDERMOTT. They're going to pay for it by having the IRS claw back the subsidy to middle-income families who will be in the new health plans. The Treasury will pay these subsidies directly to the health plan so the individuals won't even know it happened. So they will be invisible to the newly insured, but at the end of the year, middle class people are suddenly going to get a bill from the IRS for something they never knew went there.

So, in other words, we're going to let a hundred-billion-dollar industry pull out of a deal and pay for it by requiring working people across this country to write a check to the IRS. Welcome to Republican-style health reform.

Vote "no" on this bill. It's simply another way to try and repeal ObamaCare. Mr. Obama cares. He passed a bill. The Republicans have done nothing since they have been in charge.

Mr. CAMP. I yield 2½ minutes to a distinguished member of the Ways and Means Committee, the gentleman from Louisiana, Dr. BOUSTANY.

Mr. BOUSTANY. I thank Chairman CAMP for his leadership on this issue.

I rise in support of this bill. Let's be clear: successful health care reform efforts must begin by lowering costs,

promoting high-quality health care, and fostering innovation. ObamaCare does the opposite.

Even Medicare's own actuary warns that the President's medical device tax will increase Americans' monthly premiums. The tax will also eliminate more than 40,000 jobs. Passage of this bill will reduce costs and save jobs by repealing this tax.

Mr. Speaker, as a heart surgeon, I have used medical innovations that have saved thousands of life. I want to highlight something. Back in the 1950s, when we had no surgical treatments for heart disease, a surgeon watched a woman die helplessly. After 8 or 9 months, he actually devised the very first heart-lung machine in his shop. This led to an explosion in technology that has saved millions of lives the world over. This was an American innovation.

Eighty percent of device companies today have fewer than 50 employees. These are innovators. These are the people who create jobs. These are the guarantors of American innovation.

□ 1500

And without this, what are we going to have with our health care system? That's what's made American health care the best on the planet. We don't want to take a step back. Putting this tax in place will discourage these start-up innovators. They will not take risks, and we'll harm patients in the long run because of the lack of breakthroughs.

I'm also very pleased that this bill contains Ms. JENKINS's provision that will prevent a middle class tax hike. It will allow individuals to use their flexible spending arrangements to purchase over-the-counter medications without having to go see a doctor for a prescription, which is costly and time-consuming.

Finally, I'm pleased that the bill includes bipartisan legislation that I authored with Congressman JOHN LARSON of Connecticut to make it easier for Americans to save their pretax dollars in FSAs without losing the money if they don't use it at the end of the year. It's their money. They should be able to keep the money and use it for their own health care purposes or for whatever purposes they deem essential for their families.

Americans need tax relief to help them with the rising out-of-pocket costs of health care and other costs that they have. We should be encouraging and not punishing new medical breakthroughs.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield an additional 30 seconds to the gentleman.

Mr. BOUSTANY. I urge my colleagues to support these commonsense solutions in H.R. 436.

Mr. LEVIN. Mr. Speaker, I now yield 3 minutes to another very distinguished member of our committee, the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCARELL. Mr. Speaker, I thank the ranking member. This bill repeals the 2.3 percent excise tax on medical devices used in the United States that was originally enacted as part of the Affordable Care Act. Now let's talk straight to the American people. How many bills do we have to go through until you will admit that all you're doing is trying to bleed the legislation, which is now law in the United States, so that the resources are not there to carry out the mandate? No industry gets a free pass when it comes to health care reform. All sectors of the health care industry, from pharmaceutical companies to hospitals to drug manufacturers and the medical device industry, contributed to the cost of health reform and were at the table during these discussions. How different is that? They agreed to this.

In fact, in a letter to President Obama in 2009, the medical device industry pledged to do their part in lowering health spending by \$2 trillion. What made them change their mind? They committed to making health care reform a reality. They put it in writing. It's all in—it's all in—to lower health care costs. Now we've had some kind of a moral change of sorts.

Many of these companies were present when it was discussed, and they understood the long term benefits. Thanks to health care reform, the medical device industry stands to gain a lot of customers and increase a lot of revenue. According to the RAND Corporation, an estimated 33 percent of newly insured adults will be of the age 50-64, an age group when many people will need medical devices. By bringing so many new people into the insurance market, the Affordable Care Act will provide patients the opportunity to access medical devices that save and improve their lives.

This bill that we have before us is not about patient care. It is not about saving money in our health care system. It's just another attempt by the majority to dismantle health care reform piece by piece. Repealing this provision from the Affordable Care Act once again undermines financing for the law and will unfortunately do more harm than good.

Unlike what happened in the previous 8 years, we want to pay for things so we don't get ourselves deeper into debt. You don't get it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 1 minute.

Mr. PASCARELL. And to pay for this change, the majority once again returns to the true-up provision—how many times are you going to go there?—which only hurts the middle class, who receive needed subsidies to enter the health insurance market.

So here's what's going to happen in the health care bill: insurance companies gain a lot of new customers, adding to free enterprise. We're not against that. Medical device companies

are going to get a lot of new customers, particularly in the age group which I mentioned before. We're not against free enterprise. But they agreed at the table, since they were all in, and they put it in writing, that they were willing to provide those lowering of costs of close to \$2 trillion. You can't go back on a deal—let's call it that. An agreement—let's make it better.

I urge my colleagues to protect the Affordable Care Act. Vote "no" on this legislation. It will not bring us any closer to health care reform in this country.

Mr. CAMP. Mr. Speaker, at this time I yield 2 minutes to the distinguished chairman of the Health Subcommittee, the gentleman from California (Mr. HERGER).

Mr. HERGER. I rise in strong support of the Protect Medical Innovation Act.

Mr. Speaker, it's a well-known principle if you increase taxes on something, you get less of it. The medical device tax is a tax on innovation. It's a tax on creating good-paying American jobs, and it's a tax on the development of potentially lifesaving medical treatment.

Because it taxes sales instead of income, it will be especially harmful to new startup businesses that aren't turning a profit yet. My friends on the other side object to the offset in this bill even though it merely requires that people pay back benefits they make too much money to qualify for. Their view seems to be that we should make it as easy as possible for people to sign up for taxpayer-funded benefits. And if that means we waste some money along the way, so be it.

Mr. Speaker, at a time when we're borrowing 32 cents of every dollar we spend, I suggest we should be doubly careful to ensure that benefits go only to those who truly need them.

The question before us today is simple: do we want less innovation, less entrepreneurship, less high-tech jobs, and less medical breakthroughs? If you think America has too much of these things, vote "no." But if you want to see more jobs, more startups, and more health care innovation, vote "yes" and repeal this damaging tax.

Mr. LEVIN. It's now my pleasure to yield 2 minutes to the very distinguished Member from Minnesota (Ms. MCCOLLUM).

Ms. MCCOLLUM. Mr. Speaker, I thank the gentleman from Michigan for the time.

Mr. Speaker, I want the Affordable Care Act to be fully implemented for the benefit of all Americans. I also support a healthy growing medical device industry in Minnesota and across America. I support eliminating this medical device tax, which should never have been included in the Affordable Care Act. But at the same time, I strongly oppose the offset in this bill.

This Tea Party Republican-controlled House has voted over and over again to eliminate health reform's protections and benefits, denying millions

of Americans access to lifesaving care, including medical devices. The Republican goal is to kill health care reform; my goal is to strengthen it.

Today, I will vote to send this bill to the Senate, where I know a responsible offset can be found. My two Minnesota Senators are committed to repealing this tax, and they will find an offset that does no harm. Eliminate this tax and strengthen health care for all Americans, that's my goal.

Mr. CAMP. At this time I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Washington State (Mr. REICHERT).

Mr. REICHERT. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, we have been here before. We're here today to talk about the Health Care Cost Reduction Act, and it's an act reducing costs from a bill that's called the Affordable Health Care Act. So let's just bring a little bit of context into this, Mr. Speaker.

□ 1510

This isn't the first time, as I've said, we've been here. The 1099 reform, language included in the so-called Affordable Care Act, more commonly known as ObamaCare, a burdensome tax on small businesses. The Democrats agreed it needed to be removed from the bill. The President agreed and signed it into law.

The CLASS Act that was announced by the Secretary of Health, Secretary Sebelius, we can't afford to implement the CLASS Act. That was designed to help with long-term health care issues. Can't do it; can't afford it under the Affordable Care Act.

The Independent Review Board, we've passed a bill here in the House to eliminate that. What does that do? It takes away all the choice from the American people, especially seniors and veterans, on what you want to do with your own health care.

So, time after time after time we're finding language in this bill that is not affordable, that does not give Americans the opportunity to choose for themselves. It takes away choice. It takes away freedom.

Today we're talking about a 2.3 percent tax that will cost thousands of jobs—about 10,000 in the State of Washington—and it will increase the price of these medical devices on things that you may not even think about. For example, a filtration device on a dialysis machine, that's going to be a medical device that will be taxed. Who's going to pay for that? Well, the claim is that these companies that are making so much money, they'll be the ones to pay for it. This bill is paid for through those companies. Those costs are passed on to the customers, to the patients.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 15 seconds.

Mr. REICHERT. Thank you, Mr. Chairman.

So I would say, Mr. Speaker, this bill does not have a real good track record, and we should vote for this Health Care Cost Reduction Act. I encourage my colleagues to do the same.

Mr. LEVIN. Mr. Speaker, I now have the privilege of yielding 2 minutes to the gentleman from Pennsylvania (Mr. CRITZ).

Mr. CRITZ. I thank the gentleman for yielding.

Mr. Speaker, the medical device industry is a unique American success story, both for patients and for our economy. Within the last two decades, we have seen a rapid growth in medical technology companies in my home State of Pennsylvania, providing tens of thousands of jobs, billions of dollars in revenue, and contributing to better health outcomes for millions of Americans and patients globally. These are good-paying jobs that help sustain the middle class in our country, and we must create an environment that encourages 21st century innovative industries like medical device manufacturing.

As our economy continues to struggle, an additional 2.3 percent excise tax would be a burdensome charge on an industry that is steadily growing and creating jobs. One medical device company that employs hundreds in my district told me:

We are at full capacity and need to expand. This excise tax will prevent any plans for growth in the near future.

Mr. Speaker, we simply cannot allow the potential for job growth, the potential for further American innovation and competitiveness to be lost in today's economy.

Last year, I cosponsored the original version of the Protect Medical Innovations Act. There is bipartisan support to repeal this tax, but in the past week Republicans have muddied the process and decided to play politics with this bill.

While I strongly disagree with the path Republicans have decided to take, the issue at hand is about sustaining and creating American jobs, and I support the repeal of the excise tax on medical devices.

Mr. CAMP. Mr. Speaker, at this time, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. Thank you, Mr. Chairman.

What I'd like to do is just reflect for a minute on some of the promises around President Obama's health care law.

You remember he said during the course of the debate about the health care law, Mr. Speaker, that if you like what you have, you can keep it. But what we've found is that some estimates say that up to 30 percent of employers will actually drop their health care coverage. So those folks that have that coverage, they don't get to keep that coverage, Mr. Speaker.

There was also a promise that the law would actually lower premiums, and yet family premiums are already increasing by as much as \$1,600 per year.

But there was one promise that was made that was actually kept, and it was a promise, Mr. Speaker, from the gentlelady from California, who, as Speaker of the House, said, in a nutshell, We've got to pass the bill so that you can know what's in it.

Well, she did, and we do.

What's in it was a cascading group of mistakes. One was the 1099 bill—big mistake. It wasn't found the first time around, but we were able to fix that. The second was the CLASS Act, a recognition that it was a failure and inoperable. It hasn't been dealt with by the administration, but at least they put the white flag up and said it's ridiculous.

Two other things now have come to our attention. The first is well discussed. That is the medical device tax. Even the gentleman from Washington, from the other side of the aisle, makes an argument criticizing the study, but at best he creates a Hobson's choice. At best, he says, well, it may not kill jobs; but then in the alternative, Mr. Speaker, it's just going to raise health care costs. That's what that study says.

The irony is now we have the chance, under the leadership of the gentlelady from Kansas (Ms. JENKINS), to make it so that working moms don't have to have the hassle of going to see a physician when their child is sick in order to buy an over-the-counter medication. This is well thought out. It makes perfect sense. We need to support this.

I urge an "aye" vote.

Mr. LEVIN. Mr. Speaker, I now yield 3 minutes to another distinguished member of our committee, the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Well, Mr. Speaker, our long wait is over. A year and a half after their move to repeal the Affordable Care Act, the Republicans are back with the "replace" part of their "Repeal and Replace" slogan. And rather than offering an answer to comprehensive health care for 30 million more Americans, who need it, all they have to offer today is a tax break for Tylenol. Well, I'll tell you, health care in this country is more than a two-Tylenol headache, and it needs a more comprehensive response.

Of course, the real purpose of their action today is just this week's attempt to wreck the Affordable Care Act and to protect health insurance monopolies. Some of these are the very same health insurers that demand more than 20 cents of every dollar for their overhead—20 cents; 10 times the administrative cost of the Medicare system.

But our Republican colleagues never let reality get in the way of ideology when they question most any government initiative that is called "public," as in public education, or "social," as in Social Security. As usual, they con-

tinue to demand legislation that offers more comfort for the comfortable, while actually increasing the number of uninsured by 350,000. Understand that. If this legislation becomes law, instead of decreasing the number of uninsured American families, we'll have 350,000 more Americans that don't have health insurance. That's their plan.

Our country continues to face a real health care crisis. Too many small businesses and individuals are paying too much for too little health care. Millions of families are just one accident on the way home from work this evening, or one illness, one child with a disability, from facing personal bankruptcy. That has not changed.

The Affordable Care Act I believe is too weak. It should be much stronger. But it is so much better than the system we find ourselves in today with so many lacking so much. And it's far superior to the Republican do-little or do-next-to-nothing approach; give the American people half a life preserver, which is their approach.

As always, when there is a need for public action, whether it is building a better bridge or more bridges, or providing an opportunity for more young Americans to get a college education, or health care—be it preventive care, school-based care, long-term care—the Republican answer is always the same: No. No. And their excuse is always the same, too: "The deficit made me do it."

"I'd like to do something about long-term care, but we just can't afford to do it." What a contrast when it comes to bills like that of today.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 1 minute.

Mr. DOGGETT. Because whenever it is about depleting the Treasury's ability to fund those affordable needs for our country, they don't worry too much about the deficit. \$46 billion earlier in the year; this bill is part of a package of almost \$42 billion of additional revenue depletion. Later in the summer, we are told they will come up with \$4 trillion of Bush tax cut extensions.

What this will ultimately lead to, if we pursue the irresponsible path,—of which this is just another step—is that vital public programs that work—Medicare and Social Security—cannot be sustained.

□ 1520

They cannot be financed. There is no free lunch to retirement and health security in this country. It requires that we invest in a responsible way, and that's what the Affordable Health Care Act does.

Reject this legislation today, which will undermine that reform, and set us back in our efforts to provide health care security to millions of American families.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished majority leader, the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, I thank the gentleman from Michigan, Chairman CAMP.

Mr. Speaker, I rise in support of the legislation before us to reduce health care costs and expand patient freedom in health care decision-making.

Speaker BOEHNER and I made clear yesterday that the House will not act to raise taxes on anyone. The bill on the floor today is one step of many that we will need to take this year to ensure that end.

Even though the medical device tax has not yet been applied, the tax has already led to job losses, and threatens to reverse America's role as a global leader and innovator in the life sciences industry. We know if we want to encourage innovators, we cannot tax them.

Mr. Speaker, with all of the bipartisan action in the House and Senate on legislation to improve the approval process for drugs, biologics, and medical devices at the Food and Drug Administration, it would be reasonable to assume that Congress could find common ground on issues that are core to promoting jobs and innovation.

Unfortunately, don't expect this bill to reach the President's desk in a timely fashion, even with Members from both parties calling for the repeal of this harmful tax. The medical device tax was created as part of the new health care law and, for that reason alone, the administration continues to defend this tax which was only created to fund an unworkable law.

In fact, Mr. Speaker, the President has threatened to veto our bill because the tax will pay for his health care law. We should not be increasing taxes to pay for a law that a majority of Americans want repealed, a law that even some ardent supporters admit will not work as intended.

Mr. Speaker, the real price is being paid by the American people. A tax on medical devices will harm patient care, not improve it. With this tax, it will now be more expensive for patients to walk into the exam room because the bed itself can be classified as a medical device. The tax will dramatically alter the research and development budgets of medical device companies.

Mr. Speaker, just yesterday, a constituent of mine from Richmond requested that Congress recognize the vital importance of research funding and the direct impact that it could have for her son, Joshua, who was born with a rare and serious heart defect. Only 8 years old, Joshua has already braved three open-heart surgeries. There's no medical procedure today that can help this little boy. We need to encourage the medical innovations, not stifle them with taxes, so that there can be hope for kids like Joshua.

Further, the tax is directly causing job losses and could directly impact small business growth, as the medical device companies often start with just a few employees. Overall, this tax could result in the loss of tens of thou-

sands of American jobs in an industry that is key to economic growth.

Mr. Speaker, the President's veto threat is notably silent on the other two major provisions of this bill, provisions championed by Representative LYNN JENKINS and Representative CHARLES BOUSTANY, to give patients more control over their health savings accounts and flexible spending arrangements, respectively. Are these provisions acceptable to the White House?

Will health savings accounts even be permitted if the President's health care law remains on the books?

The uncertainty caused by the law highlights, once again, how truly flawed it is, and why all of the President's health care law must be repealed.

Mr. Speaker, there are many difficult issues that Congress must address to ensure America remains a country of opportunity, innovation, and growth. Supporting this bill should be easy.

I'd like to thank Representative ERIK PAULSEN for his leadership in advancing this legislation to eliminate a harmful tax. And I want to recognize the leadership of Chairman DAVE CAMP, who is working to put forward pro-growth tax reform that will make our Tax Code simpler and fairer and result in a growing economy.

Mr. LEVIN. Could you please indicate how much time there is on each side?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 17½ minutes remaining. The gentleman from Michigan (Mr. CAMP) has 26¼ minutes remaining.

Mr. LEVIN. I yield myself 30 seconds. It's the Republicans who've combined these three bills. The Republicans.

And the leader talks about jobs. I wish he would give instructions to the Ways and Means Committee to consider and bring up jobs bills that are just languishing from inaction. We need more than signals. We need action.

I yield 3 minutes to the gentleman from California (Mr. THOMPSON), a distinguished member of our committee.

Mr. THOMPSON of California. I thank the gentleman for yielding.

Mr. Speaker and Members, I rise today in opposition to this bill. And this is not a tax that I like. As a matter of fact, I don't like this tax at all.

The medical device industry has been on the forefront of creating jobs, pushing medical innovation, and keeping all of us healthier. But we didn't pass this provision in a vacuum, and today we're not voting to repeal it in a vacuum. We didn't pass it to be vindictive or mean or because we just felt like it.

This provision was passed as part of a larger bill that was a response to a national crisis in health care that we're experiencing in our country. In order to do this, we had to make some really hard choices so our grandkids and our great grandkids weren't stuck with the bill for this response, like they were for the drug benefits for seniors or the tax cuts their grandparents enjoyed.

This wasn't done lightly, and the device industry isn't alone in sharing in some of this responsibility. But the device industry will also see the benefits of having 30 million additional people covered by health care. Many of those will be customers of the device industry.

I'd vote to repeal this provision today, yesterday, or tomorrow if we were having a serious discussion about the provision with a serious pay-for. Instead, we're repealing a tax on an industry that had over \$40 billion in profits in 2010, and we're paying for it on the backs of middle class people, some of whom, for the first time in their adult lives, will have access to quality, affordable health care.

Now, this is probably the tenth time in this Congress that we've repealed, or we will vote to repeal, part of the Affordable Care Act. In addition to that, we've also voted to repeal the entire act.

This is not honest debate on policy but, rather, another political cheap shot at the Affordable Care Act. For these reasons, I urge a "no" vote on this legislation.

Mr. CAMP. I yield 2 minutes to the gentleman from Pennsylvania (Mr. GERLACH), a distinguished member of Ways and Means Committee.

Mr. GERLACH. I thank the chairman for his leadership and recognition.

Mr. Speaker, I rise today in support of this legislation and urge my colleagues to vote to stop now a \$30 billion tax increase on medical innovation. This pending tax means higher costs for doctors and hospitals, less investment in finding new ways to improve treatments for patients, and fewer jobs for American workers.

What's at stake in Pennsylvania are an estimated 20,000 high-tech manufacturing jobs. Approximately 600 medical device manufacturers have helped our Commonwealth's workforce transition from a rust-belt economy to a high-tech leader in life sciences, biotechnology, and medical device manufacturing. However, this looming tax on innovation threatens to bring a little bit of that rust back to our manufacturing base.

Some of the medical device manufacturers in Pennsylvania have said that forcing them to write larger checks to the Internal Revenue Service would mean facing decisions about cutting back on research and development or raising prices. Cutting research and development would mean patients wait longer for groundbreaking treatments and products.

Raising prices would put American workers at a disadvantage compared to their European competitors who are often propped up by huge government subsidies.

Now, I realize the President's in full campaign mode. He's traveling around the country talking about the importance of working together to create jobs. So I would respectfully submit then that passing this legislation to

protect American jobs we already have would be at the top of the to-do list that we keep hearing about from the White House.

□ 1530

Mr. Speaker, we should be providing incentives that spur innovation rather than the Federal Government's taking more out of the private sector, which will threaten to drive these manufacturers out of business or overseas.

I ask that all Members support this legislation today so that we can stop a \$30 billion tax hike in 2013 and prevent putting up new barriers that will cost American workers their jobs.

Mr. LEVIN. It is now my pleasure to yield 3 minutes to another distinguished member of our committee, the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL. I thank the gentleman.

Mr. Speaker, I rise to talk about the simplicity of the medical device excise tax and to remind people, as the majority leader said, that this is really about repealing the Affordable Care Act. This is not a debate about just the medical device excise tax. This is an effort to repeal the entire action.

This is a tremendous industry. I've worked with them for years. There are 400 medical device companies that employ 24,000 people and about 82,000 people indirectly. It is critical to the Massachusetts economy.

We are debating the same issue we debated 2 years ago when I worked closely with colleagues. By the way, the way Congress once functioned was to work with labor and the respective industries and with Members on both sides of the aisle in order to have an outcome that everybody, if they didn't love it, could at least come to say that they liked.

I negotiated decreasing that tax from 5 to 2.3 percent, and I stood up to those who thought it ought to be 5 percent. The big request from the industry was that they wanted the devices that were imported to be subject to the same tax. They were absolutely correct. We reached a compromise with the industry that bought into this suggestion because they knew that they would benefit from the expansion of insured individuals under the Affordable Care Act. I should note something that is very important today, which is that the industry receives Medicare payments indirectly via payments from hospitals.

Now I worry about the impact of the tax on the medical device industry. If we had a good pay-for today and if everybody agreed that we were going to try to hold onto the basis of the Affordable Care Act, count me in. One medical device company recently said to me, If we're going to get hit with a new tax, it's going to cost our company \$100 million a year. To withstand that kind of tax increase, we're going to have to look at cutting jobs.

I understand that, and I'm concerned about the push for companies that are

going to cut back on research and development; but I cannot support this piece of legislation due to the offset which would repeal the true-up protections for lower- and middle-income families that use the Affordable Care Act's premium tax credits. According to Joint Tax, 350,000 fewer individuals will become insured if those protections are repealed, and I can't support that.

The reality is that this vote is simply another political stunt to chip away at the health care reform act. I am open to working with Chairman CAMP. If we can find a path forward, as I've indicated, count me in. This is not the path to pursue. This is not the way to do it. A reminder: This really is not the way that this Congress functioned when I came to it, particularly on the Ways and Means Committee, when you work with industry and labor to accomplish extraordinary things.

Mr. CAMP. At this time, I yield 2 minutes to the distinguished chairman of the Energy and Commerce Committee, the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, last week, the House passed, by 387-5, major legislation that impacts millions of jobs by allowing the faster and safe approval of medical devices and pharmaceutical drugs.

Rather than sending those jobs overseas, they're staying here. The administration's impending tax on medical devices is a ticking time bomb for manufacturing jobs and innovation across the country and especially in Michigan, which is why we need to repeal it and pass this legislation.

Last month, I visited Stryker, a major device manufacturer that is headquartered in Kalamazoo and Portage, Michigan. They reinforced the harmful impacts that this tax will have on our corner of the State. Stryker employs about 2,500 workers in Kalamazoo County. They tell me that the tax is going to cost their company alone \$150 million, and that number does not include the millions of dollars and thousands of man-hours that they're going to have to expend on ensuring that they're in compliance with that tax. These are dollars that could be better spent on wages, research, development, and investments in lifesaving technologies, which would not only help the employment sector but, obviously, patients as well. Stryker also recently announced the elimination of 1,000 jobs worldwide, which is a 5 percent reduction in its global sales force. The cause of that reduction: making up the cost for this impending tax.

The President said earlier this year that he would do whatever it takes to create jobs in America. He needs to sign this bill because, without it, it's going to cost jobs—as has been proven in Michigan alone.

Mr. LEVIN. I yield myself 30 seconds. We very much favor the medical device industry. They agreed to pay for health insurance coverage. In 2011,

Stryker had revenue of \$8.37 billion on these products with a net income of \$1.3 billion. Everybody is going to have to participate, as they promised, to make health care work. If everybody ducks out, people will go uninsured.

It is now my privilege to yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I thank the ranking member on the Ways and Means Committee for yielding me this time.

Mr. Speaker, in the waning days of the work we were doing to get the Affordable Care Act in shape for consideration before the entire Congress, I wasn't an enthusiastic supporter of the medical device manufacturing tax as one of the pay-fors in order to pay for health care reform. I, however, agreed with the President wholeheartedly that health care reform had to be fully paid for. In fact, the idea was to pay for it, and then some, so that we had the ability to start reducing our budget deficits out into the future.

Because of the work that was done and because of the hard negotiations and the tradeoffs that were made, the Congressional Budget Office, in its analysis of the Affordable Care Act when it passed, said it would reduce the budget deficit by over \$1.2 trillion over the next 20 years. Now, that is a significant achievement—that we are able to start reforming a health care system in desperate need of reform, pay for it at the same time, work to improve the quality of care and the access of care for 33 million uninsured Americans, but also start bending the cost curve in healthcare.

I was concerned about the medical device tax as an element of the pay-for, however, because of the vital role that the medical device industry has in our economy. They play an important role when it comes to job creation. They enjoy certain competitive advantages here in the United States market. I was concerned about the tax applying to the sales of the products as opposed to profits because of the impact it will have on smaller manufacturers, which operate on a much smaller margin.

That's why I support the legislation before us today, but I do so under the proviso and with the understanding that the pay-for that is being used right now is controversial on our side. I don't think it's the ideal pay-for. I don't believe that it's going to be the pay-for that the Senate would consider if it takes this measure up. It certainly won't be the pay-for that the President will feel comfortable signing into law. So there is going to be additional work that we're going to have to do together to try to find an acceptable bipartisan pay-for if we're going to repeal this tax on an important industry in our country.

I would also submit to my colleagues on the other side that there are many proposals under the Affordable Care Act that have enjoyed wide bipartisan support in the past, proposals that can help find savings in the healthcare system. They include the build-out of the

health information technology system that our health care providers desperately need, which will not only improve the efficiency of care delivered and reduce medical errors, but will finally start collecting that crucial data so we know better what works and what doesn't work in the delivery of health care. There are delivery system reforms in the health care reform bill that are already proving effective and that lead us towards a system that is more integrated, that is more coordinated, that is more patient-focused, thus producing a much better outcome of care but at a better price.

Ultimately, we have to continue working together to change the way we pay for health care in this country so that it's based on the value—or the quality or outcome of care that's given—and no longer on the volume of services and tests and things that are done regardless of the results. There has been wide bipartisan agreement in the past over these issues which are included in the Affordable Care Act, but you would never guess it by listening to the terms of the debate today.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional minute.

Mr. KIND. While I support the legislation and what it's trying to accomplish here, I still think, following today's debate, there is going to be a lot more work that we're going to have to do in dealing with the other side of the Capitol, with the Senate, as far as coming up with acceptable pay-fors, in its mind, and also in working with this administration.

□ 1540

So hopefully we can reduce this tax burden on an important industry. But we can do it in a more reasonable and commonsense fashion so we don't jeopardize the health care access of over 350,000 Americans, which may be adversely impacted with this "true-up" provision, that is being used today to pay for the repeal of this revenue measure.

I thank my colleague for the time I was yielded.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Illinois (Mr. SCHOCK).

Mr. SCHOCK. Mr. Chairman, thank you for your leadership on this important piece of legislation.

Mr. Speaker, I rise today in support of the repeal of the 2.3 percent medical device tax created in the health care law.

This tax will have a devastating impact on jobs, estimated to be over 1,200 job losses in the State of Illinois, which already has an unemployment rate higher than the national average. Instead of working on policies that will incentivize economic growth, this tax will stunt it while adversely affecting small businesses and local communities.

Not far from my hometown is Canton, Illinois, an example of what can happen when device manufacturers partner with small communities. In May of 2013, Cook Polymer Technology, a raw material manufacturer, announced plans to open a second plant in Canton, Illinois, a town with a population of just under 15,000. These two facilities jump-started Canton's economy, leading to the creation of over 100 new well-paying jobs.

This partnership also led to a full percentage point drop in Canton's unemployment rate. According to Canton's mayor, private developers are now building more homes than at any time in the last 15 years combined in this little town's history. None of this would have been possible without Cook's decision to invest in Canton. Unfortunately for Canton, the looming medical device tax has already resulted in Cook's decision against building a new factory in the United States.

This tax will lead to future job losses as companies decide to close or cut back on their operations in R&D work. Communities like Canton will see their recent economic gains stalled, and it is why it is imperative that Congress repeal this device tax before job losses are realized and America finds it is no longer the leader in medical device technologies.

I urge passage of this bill and the repeal of the tax.

Mr. LEVIN. I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT. Mr. Speaker, I thank the ranking member for yielding time.

I walked in on the last two speakers, neither of whom said anything I disagree with, except that I can't support the bill because of the pay-for that is in the bill.

I'm convinced that we should repeal the medical device excise tax. I think it's driving jobs and innovation offshore, and a lot of that is happening in my congressional district. I also think it is counterproductive to talk about doing it and paying for it in the way that has been proposed in this bill. And I will therefore unfortunately not be able to support the bill as it is written today and introduced because of the manner in which it's being paid for.

I don't think there is anything complicated about this. We need to find a more acceptable way to do what I think a lot of us agree needs to be done, which is to repeal the medical devices tax. But this is not the way to pay for it, and we must find an acceptable pay-for.

I thank the ranking member for yielding time.

Mr. CAMP. I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Tennessee (Mrs. BLACK).

Mrs. BLACK. Mr. Chairman, thank you for yielding.

Mr. Speaker, I hope in the coming weeks, the Supreme Court strikes down this disastrous piece of legislation, but

the reality is that no one knows for sure what the court is going to do. So we must continue to do everything we can to get rid of this law.

Today, as a cosponsor of this Health Care Cost Reduction Act of 2012, I continue to fulfill my pledge to defund, repeal, and replace ObamaCare with commonsense solutions.

First, this bill defunds ObamaCare by getting rid of these job-killing taxes. The 2.3 percent Medicare device tax would cost the taxpayers almost \$30 billion, and the cost to the manufacturing industry would be about 43,000 jobs, forcing them either to close down or to ship these jobs overseas.

This bill also repeals ObamaCare's over-the-counter restrictions on flexible spending accounts. ObamaCare's government-must-know-everything mentality takes the flexibility out of the flexible spending accounts and drives up the health care costs. Most importantly, we're replacing it with real reforms that promote consumer choice, quality care, and reduced health care costs.

This is what the good people of the Sixth District of Tennessee expect me to do, why they sent me to Washington, and why I'm continuing to fight every day to defund, repeal, and replace ObamaCare with commonsense solutions.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. CAMP. At this time, I yield 1 minute to the distinguished gentleman from Illinois (Mr. DOLD).

Mr. DOLD. Mr. Speaker, I certainly want to thank the chairman for his leadership.

I'm pleased to rise in support of this legislation because it will save jobs. We hear time and time again all across the country that the biggest issue that we face is jobs and the economy.

We've got an unemployment rate of 8.2 percent, and we need to be focusing in on growing our economy. This special tax increase on medical device manufacturers frankly would do quite the opposite. It would cost jobs. In the 10th District of Illinois, thousands of individuals are employed by manufacturers that provide medical devices. Frankly, we need to create an environment here in Washington, D.C., that promotes innovation, promotes these medical device companies from all around the globe to come here to our country.

So I'm pleased to support this legislation, and I urge my colleagues to support it as well, because we cannot have additional anxiety, uncertainty that is out there in the marketplace. We need to make sure that we are growing our economy, and we need to do that by providing an environment right here in Washington. Frankly, we're not doing that today. I support the legislation, and I urge my colleagues to do the same.

Mr. LEVIN. I reserve the balance of my time.

Mr. CAMP. At this time, I yield 1 minute to the distinguished gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. Mr. Speaker, I rise today in strong support of this legislation that will repeal the job-killing, innovation-destroying tax on medical devices. I want to thank Congressman PAULSEN for introducing this legislation.

Mr. Speaker, California, and particularly San Diego, is a hub of medical device activity. Companies such as NuVasive or Edwards Lifesciences Corporation are but a few of the companies that are located in my district in California, San Diego.

While considering this device tax, we've got to understand that the medical device industry in San Diego alone is a \$4.9 billion job-generating, job-creating industry. This industry represents one-third of all the life sciences industries, employing in my district 10,000 employees with an average income of \$100,000.

The medical device tax will cost jobs. That's not just in my district, but across the country. Hopefully we'll see this tax repealed. Because in the long run, this tax may not only cost jobs, but could cost lives.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. BILBRAY. Thank you very much. I appreciate it, Mr. Chairman.

Let's join together and pass the repeal of this destructive tax and move forward with good legislation that will provide affordable health care while providing job opportunities for our citizens.

Mr. CAMP. Mr. Speaker, at this time, I yield 1 minute to the distinguished gentleman from Virginia (Mr. HURT).

Mr. HURT. Mr. Speaker, I rise today in support of the Health Care Cost Reduction Act.

The American people know that the President's health care law is costing us more in premiums and more in taxes. It's costing us our constitutional liberties, and it is costing us American jobs.

One of the tax increases that will support this law is a \$20 billion tax on our manufacturers that will result in thousands of lost American jobs at a time when our unemployment rate is over 8 percent for the third year in a row. Today's vote keeps faith with the American people as we continue working to repeal this law and to replace it with reforms that will deliver higher quality health care, lower costs, and that will preserve American jobs.

I urge my colleagues to support this bill, and I thank the chairman and the committee for its work on this bill.

□ 1550

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. SCHILLING).

Mr. SCHILLING. Thank you, Mr. CAMP. I appreciate your hard work on this.

Unemployment is the largest problem we face today, so why would any-

one want to punish innovation by forcing more taxes on American medical device companies. That is exactly what the President's health care law does, but we have a chance to repeal this tax today.

I hope the Senate will follow suit. This tax will hurt the medical device industry, including companies like Cook Medical, which has two facilities in my district in Canton, Illinois. Cook currently has 100 employees, but is looking to expand and provide more jobs for men and women in Illinois.

Support H.R. 436 to promote innovation, jobs and growth across our country.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio (Mr. TURNER).

Mr. TURNER of Ohio. Thank you, Mr. Chairman.

Mr. Speaker, I strongly support the repeal of the ObamaCare medical device tax, which stifles research and costs jobs at a time when our economy is struggling to recover.

My bill, H.R. 1310, which repeals this tax on first responder medical devices, shares the goal of H.R. 436, the Health Care Cost Reduction Act.

In my community, Mound Laser and Photonics Center, which provides services to the medical device industry, was forced to layoff 10 employees as a result of this impending tax. Ferno, another company in my community which manufactures emergency health care products, says this tax will result in reduced research, development and production of new products.

Mr. Speaker, I urge all of my colleagues to support H.R. 436 and repeal this burdensome tax.

Mr. Speaker, beginning in 2013, a 2.3 percent excise tax will be imposed on the sale of medical devices by manufacturers, providers, or importers. This tax will place yet another burden on American businesses, stifling development of innovative life-saving products and costing jobs when our economy is struggling to recover, and will result in higher costs and inferior care for patients.

I strongly support the repeal of the 2.3 percent medical device excise tax. That is why I authored H.R. 1310, to repeal this tax on medical devices used by first responders. My bill shares the goal of H.R. 436, the Health Care Cost Reduction Act, which includes a provision to completely repeal the excise tax.

Earlier this year, a company headquartered in Miamisburg, Ohio in my district, Mound Laser & Photonics Center, MLPC, wrote to me about the negative effect of this new tax. MLPC specializes in laser-based micro and nano-fabrication and provides services to a number of markets, including the medical device industry. The firm is a tremendous research and development success story in southwest Ohio, growing from three employees to over forty. The majority of these workers have backgrounds in science and engineering, critical fields our country needs to compete in the global economy.

However, MLPC recently scaled back its operations and was forced to lay off 10 employees due to the loss of business from one of its medical device clients. Specifically, Dr.

Larry Dosser, President and CEO of MLPC wrote:

This is an unprecedented and devastating decision, which I believe is a direct result of Obama's Healthcare Reform Act. Not only does this impact the lives of these very good people, it also impacts MLPC's progress on a new facility that would be a major demonstration project for advanced manufacturing in the Dayton region.

I have also met with business leaders from Ferno-Washington Inc., a global leader in manufacturing and distribution of professional emergency and healthcare products based in Wilmington, Ohio. Ferno says the tax increase will cause the company to scale back research, development, and production of new products, hampering the company's ability to compete. The executives at Ferno estimate the cost of the tax is equivalent to 23 jobs.

Mr. Speaker, now is not the time to impose an extra burden on American businesses when our economy is struggling to get back on track. I urge all my colleagues to support H.R. 436 and repeal the 2.3 percent medical device excise tax.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, thank you for your leadership on this issue.

The economic news has been pretty grim lately. Last month, America created a mere 69,000 jobs, the lowest in a year. The job growth has been cut by two-thirds just the last few months. The unemployment rate, the only reason it went down is so many millions of Americans have just given up looking for work.

Now we learned today of all the 10 economic recoveries since World War II, this recovery ranks 10th, dead last, and dead last isn't acceptable to anyone.

This bill stops the killing of 43,000 American jobs; 43,000 American jobs will be lost if this new tax on our medical devices, on our stents and pacemakers and others, goes into place. This bill is all about saving jobs.

It also lowers the costs for patients because all those taxes get thrown right back on the patients and carried through, and it stops a tax on innovation in America, at which we are very good. It's key to our economic future. This bill prevents that attack. It also allows families the freedom to use their health savings accounts to buy over-the-counter prescriptions, which saves them money and allows them to keep more of their health savings account amounts the end of the year so that will they don't use it or lose it.

In Texas, we'll lose 2,000 jobs if this bill isn't signed by the President. I know he has vetoed it, but these are jobs, Mr. President. This is health care costs; this is innovation. This is what we ought to be rewarding in America, not punishing.

I support this bill strongly. I applaud Chairman CAMP and the members of the Ways and Means Committee who are bringing it to us.

By the way, to make sure it doesn't add to the deficit, if you get a Federal subsidy in health care for which you're not eligible, we'll have you pay it back. We just have you pay back what you didn't earn. That's the right way to do it, and that's the right way to pass this bill.

Mr. CAMP. I yield 2 minutes to the distinguished gentlewoman from Washington (Mrs. MCMORRIS RODGERS).

Mrs. MCMORRIS RODGERS. I thank the gentleman for yielding.

Beginning in a few short months, a 2.3 percent excise tax on medical devices will go into effect as a result of the President's health care bill. As George Will recently wrote, this new tax will "tax jobs out of existence."

Last year, I had the opportunity to host a jobs and innovation roundtable discussion with leaders from the medical device industry. One of the CEOs that was a part of the roundtable stated that if you're trying to destroy an industry, you're doing a very good job of it.

He was referring both to the delays at the FDA, as well as the medical device tax. In my home State of Washington, there are 17 medical device companies that provide over 8,700 people jobs. These are high-paying jobs with an annual payroll of over \$500 million. These companies cannot hire new employees because of this job-killing new tax; 900 people would lose their jobs in Washington State. Nationally, it's estimated 43,000 U.S. jobs will be lost directly due to this tax.

This is one of 18 new taxes brought to you by ObamaCare. This one will cause medical device companies to reduce their research and development funds in order to pay for the new tax.

Who thinks that decreasing jobs in this economy is a good idea?

Patients deserve safe and effective medical devices, and Americans deserve the jobs that create medical devices. This legislation will help preserve what has been just a great American success story driven by our medical devices manufacturers that are developing lifesaving treatments.

I urge all of my colleagues to support H.R. 436.

Mr. CAMP. At this time we have no further speakers and are prepared to close, if the gentleman is prepared to close.

Mr. LEVIN. I yield myself the balance of my time.

In a sense, there is much at stake in this debate. If this bill were to become law, it would unravel health care reform. What this industry seems to be asking is a reversal of their commitment to make health care reform work. If this Congress and the President were to say okay, every other industry that participated in saying they pay their share to make it viable, they'd come in line, and there would be no answer to them. In that sense, this debate, this issue is significant.

But in another sense it really isn't. This bill isn't going anywhere. The

Senate leadership has already said it's not taking it up. There's been issued a Statement of Administration policy. The recommendation is the President would veto it. There's a certain emptiness to this debate because the bill isn't going anywhere.

The real significance is that it's being brought up despite that, raising the question, Does the majority in this House want a bill that goes somewhere relating to jobs?

The word "jobs" has been mentioned here more than any other word. As mentioned earlier, there is no evidence that jobs would be lost, as indicated by the majority.

The only study says that the 43,000 claim is wrong. So what's really at stake here, the significance of this debate is this: Will the majority do more than signal in this session, in its remaining months, or will it take up jobs legislation? I think there's an increasing indication that they, the majority, do not want a jobs bill that will go anywhere.

I mentioned earlier the letter I wrote to the chairman of our committee. I mentioned in there six provisions clearly relating to jobs in America, the 48C Advanced Energy Manufacturing Credit that once had bipartisan support.

□ 1600

The production tax credit for wind power, the Republicans came before the Ways and Means Committee and said, Extend it. But, silence. The Build America Bonds program. It helped to create hundreds and thousands of jobs—\$180 billion in infrastructure investment. The 100 percent bonus depreciation that both sides say they support. But nothing but inaction. The proposal by the President for a 10 percent income tax credit for small businesses that could create jobs, not the illusory statements mentioned here. And then the R&D tax credit that the chairman of this committee and I have championed for years—and all we do is have a hearing.

And so this bill raises starkly this issue: Does this majority want bills going nowhere, or will they do more than signal and act to help create jobs that the people of this country badly need. That's the real issue before us today.

I urge a "no" vote on this bill on the merits. I urge the majority to start saying "yes" to jobs bills for the people of the United States of America.

I yield back the balance of my time.

Mr. CAMP. I yield myself such time as I may consume.

I would just say to my friend from Michigan that we in the committee are in the process of reviewing all of the tax extenders. There's going to be about a hundred of them that expire at the end of the year, research and development being one of them—one I, obviously, have supported over the past.

Given our budget situation and given the record deficits run up by this ad-

ministration, we're taking a close look at all of these provisions to make sure that they're justified, to make sure that they really bring economic benefits and jobs to this country, not just pass them along because that's what's been done in the past, but to really take our oversight responsibilities, review responsibilities seriously to make sure the things that we're doing are efficient, are effective, and really get to the core of how do we get this economy moving again.

We had the jobs numbers last Friday. They were abysmal. Clearly, the economic policies of this administration have been a failure. We're, obviously, trying to address some of the other policies of this administration that aren't going to work. And clearly, there are flaws in the health care bill. We've had bipartisan support to fix some of them, like repealing that onerous 1099 provision that would have put a wet blanket over all small businesses as they try to file paperwork on every expenditure over \$600. It was a ridiculous provision. We had strong bipartisan support to repeal it. The President signed it. That is law.

We're now looking at today what we can do to improve other problems in this health care bill. One of them, clearly, is we need to help people save and allow them to afford the kinds of medications they need. For example, they tax over-the-counter medications by saying you can't use your tax-free savings account to buy cough syrup for your sick child.

So what's happening is many people are going to doctors. They're actually having to get a prescription so they can use their flexible spending account, the account that they have set aside to save for their medical needs. And don't we want parents to be able to try to find a least-cost alternative? If cough syrup will fix the problem that their child is having and meet their medical need, shouldn't we do that first, before going to the ER or before going to get a prescription? Again, what we want to do is keep parents in the driver's seat. Let them make the medical decisions that effect them and their children.

So we believe that it's so important that we allow over-the-counter medicines to be purchased out of an FSA. That is just a critical thing. And that has had strong bipartisan support.

The other issue is regarding medical devices. Clearly, taxing the medical devices is going to do one of two things. It's going to cost jobs. As Stryker Corporation in my home State of Michigan says, it's responsible for about a thousand layoffs as they try to plan for the future. Or, it's going to raise costs. Either one is a bad choice for those people who have medical needs that they need to meet.

And the last provision in this is, can people keep some of the money in their health care or flexible spending account if they don't have all their medical needs requiring the use of money out of that account? Can they save

some of it, or do they have to use it or lose it and buy extraneous things or things they don't really need. What this bill would do is say you can keep some of those dollars—up to \$500. You would pay tax on it. And that means that if you've overestimated what your medical needs are, you can get some of those dollars back and use those. Again, it's your wages. You've put it in there. It's yours. You should be able to get it back.

I think these are all strong provisions. They've all had good bipartisan support, both for the substance of them as well as for the pay-for in the bill. That has had strong bipartisan support as well.

So I would urge support for this legislation. I do think it has a lot of support in the Senate as well, and I think we're going to see this legislation move forward. So I urge a "yes" vote, and I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I rise today in opposition of H.R. 436. We find ourselves, yet again, going through another Republican dog and pony show as my colleagues attempt to repeal the Affordable Care Act bit by bit without replacing any of these pieces. I cannot even count how many of these circuses we have gone through this session. Instead of working for their constituents, my friends across the aisle are busy concocting schemes solely for political gain that will ultimately cost the American people, this time to the tune of more than \$29 billion. That's right, the non-partisan Congressional Budget Office estimates that if the medical device tax is repealed it will add to our deficit.

I think we would all agree that the medical technology industry is a critical industry, employing more than 400,000 workers nationwide and more than 9,000 in my home state. The work that they do is critical to keeping the American people healthy and to keeping our country competitive. During the drafting of the Affordable Care Act, the medical device industry, along with pharmaceutical companies, insurance companies and hospitals, committed to doing their part to make health reform a reality. Advocating to repeal the medical device tax appears to me to be going back on that commitment to the President and the American people.

Supporters of H.R. 436 like to say the medical device tax hurts small manufacturers, but the reality is the ten largest manufacturers will pay 86 percent of the tax. These same supporters claim the tax will result in the loss of jobs, but they seem to forget about the millions of new customers that the ACA will provide device companies. It seems to me that if you have 33 million more people with the ability to access medical devices, companies may need some employees to help them meet this new demand. I agree that it is important that the medical device industry can continue to succeed, and I believe that the Affordable Care Act will do so.

In addition to abolishing the medical device tax, H.R. 436 aims to repeal the definitions the Affordable Care Act put in place for tax-advantaged flexible spending accounts and health savings accounts. A small minority of workers benefit in minor ways from these accounts, whereas millions of Americans will be guaranteed access to comprehensive, affordable

health care through the ACA. By enacting these provisions the ACA raises over \$4 billion. The Republicans think they will pay for dismantling the ACA with changes they already used to finance two earlier pieces of legislation. Dipping repeatedly into a pot of money that will force hundreds of thousands of citizens to forgo health care coverage is not a viable solution. While my colleagues speak about wanting to balance our budget and reduce our deficit they are busy repealing a tax that would add to our precarious fiscal circumstances and taking away provisions enacted in the ACA that generate vitally needed dollars. And, my friends, we are all aware of the age old axiom that actions speak louder than words.

Mr. Speaker, this legislation is not a constructive use of this body's time. We cannot re-litigate the debates of the past. If we are to improve the health care that we are delivering to patients, and inspiring and encouraging innovation in our industry, I stand ready and willing to work with my colleagues on bipartisan legislation that will do so.

Ms. SCHWARTZ. Mr. Speaker, today's vote is nothing more than a political stunt by Congressional Republicans to once again undermine the health care reform law. Republicans included a "poison pill" to ensure limited Democratic support rather than work in a bipartisan manner on an important policy issue. This once again proves they are more interested in politics than policy.

We should take a serious look at corporate tax policy and its impact on innovation in this country. In Pennsylvania, the medical innovation industry is vital to economic growth, employing more than 80,000 people and pumping more than \$13 billion into the local economy. I am proud that Pennsylvania companies are on the front lines of this innovation, and it is essential that they have the ability to grow and thrive.

We must work together to strengthen America's role as a global leader in the medical innovation sector, which will yield the next generation of life-saving treatments and strengthen our economic competitiveness. I urge my Republican colleagues to work with us to implement tax policies that will preserve, promote and grow these innovative industries.

Mr. PENCE. Mr. Speaker, I rise today in support of the Health Care Cost Reduction Act of 2012, H.R. 436, offered by Rep. PAULSEN of Minnesota, which will repeal the 2.3 percent tax on medical devices included in ObamaCare that is set to take effect at the end of this year.

This tax will have a dramatic impact on Indiana, which is one of the leading states in the medical device industry. The "orthopedic capital of the world" is in Warsaw, and across the state 20,000 Hoosiers design, manufacture, and sell a multitude of life-saving and life-enhancing products, creating a \$10 billion economic impact.

The medical device tax threatens all of that success. Unless it is repealed, Indiana stands to lose more than 2,000 jobs in the medical device sector. This job-killing tax will stifle innovation, harm patients and raise the cost of health care for Hoosiers.

Repealing the medical device tax will ensure that Hoosiers can continue to lead in the medical device industry. Let us show our commitment to innovation and job growth today by passing the Health Care Cost Reduction Act and fully repealing the medical device tax.

Mr. MARCHANT. Mr. Speaker, this legislation will stop an impending tax created by Obamacare on medical devices. This tax stifles innovation, reduces jobs, and increases costs on patients. Congress must act to ensure that the medical device tax does not come in to effect.

Additionally, I support the new choices this bill gives consumers. Users of Health Savings Accounts will once again be able to access their HSA funds for over-the-counter purchases. This change reduces unnecessary doctor's office visits that are being made solely to obtain a prescription to use HSA funds. Lastly, this bill greatly improves Flexible Spending Accounts. Rather than forcing unneeded end of year purchases, this bill allows for a \$500 cash-out option to be considered as taxable income. This change makes FSAs much more attractive, giving consumers another choice to determine the health care plan that is best for them—rather than the government making that choice. I urge support of the bill.

Ms. RICHARDSON. Mr. Speaker, I rise today in opposition to H.R. 436, the "Protect Medical Innovation Act." This bill would repeal a 2.3 percent tax on the sale of medical devices that was scheduled to take effect in 2013 as a part of the healthcare reform legislation. The Joint Committee on Taxation, however, has said that this tax elimination would cost the government \$29.1 billion in lost revenue through fiscal year 2022.

This decrease in revenue would be offset by the elimination of the cap on repayments of advance premium tax credits. This provision had been introduced to aid low- and moderate-income families whose economic circumstances changed dramatically during the year. The current repayment cap on tax credits is important to millions of American families facing economic uncertainty because it offers a guarantee that they will not be hit with unexpected tax bills at the end of the year. H.R. 436 brings the threat of uncapped expenses and will effectively serve as a deterrent for families considering purchasing healthcare coverage.

The Joint Committee on Taxation has estimated that the loss of revenue will therefore increase the number of uninsured Americans by 350,000, and I fear that the 37th Congressional District of California will be particularly impacted. In the city of Los Angeles, it was reported this month that unemployment had risen to 8.2 percent, or 13.6 percent for African Americans and 11 percent for Latinos. In construction alone, 28,000 jobs were cut, along with 13,000 in government. As we debate the repayment cap, we must keep in mind these thousands of hardworking citizens and their families who might otherwise feel the security of affordable healthcare coverage in uncertain times.

Mr. Speaker, healthcare reform legislation does not unfairly target the medical device industry, as many are claiming today. In the spring of 2009, representatives from various healthcare sectors, including medical device companies, pledged in a letter to work with President Obama to accomplish the goal of a more affordable and efficient healthcare system. This tax serves as the industry's contribution to the cost of reform. It is not an unreasonable sum, especially when the industry stands to benefit from an additional 30 million insured customers. Of those, roughly 10 million will fall between the ages of 50 and 64,

an age group with a high proportion of people needing medical devices.

The passage of this bill would send a dangerous message to other healthcare sectors who are contributing to the cost of comprehensive healthcare reform. Pharmaceutical companies, health insurance companies, skilled nursing facilities, laboratories, and home health providers have all taken on additional costs and taxes. We should be wary of setting a precedent that exempts one industry from its promised contributions, should other sectors then push for a similar repeal.

Supporters of this bill have also aligned themselves with small businesses; however, any tax relief would be siphoned off to large corporations. Industry analysts predict that the ten largest companies manufacturing medical devices, who in 2011 had net profits of \$48 billion, will pay 86 percent of this tax. The medical device industry is already very profitable, and the benefit of ten million new customers will outweigh the cost of the tax.

I would like to take an additional moment to address the Republicans' claims that this bill will stop job loss and decelerated innovation. There is currently no incentive for medical device companies to shift jobs overseas because the tax does not apply to devices sold to other nations. Moreover, devices imported into the United States are subject to the same 2.3 percent tax. This means that there will be no unfavorable advantage for foreign-manufactured devices in domestic markets, and there will be no added cost to selling American devices in the international market.

Mr. Speaker, I was an original supporter of President Obama's plan for healthcare reform, and I believe that H.R. 436 would only be a step backwards. I will vote against this legislation, and I urge my colleagues to do the same.

Mr. RAHALL. Mr. Speaker, I believe that changes to the Patient Protection and Affordable Care Act are necessary and have cosponsored and supported several bills in this Congress to amend the health care law before it takes full effect.

West Virginians—our working families, our seniors on fixed incomes, our small businesses—are looking for and deserve substantive action from the Congress to address rising health care costs and access to quality care and I regret that the only thing the House majority in this Congress has brought to the floor is a slew of bills purposely designed to generate gridlock and stall in the legislative process.

While I do not support this measure, I believe that the Congress has a responsibility to address the concerns that have been raised by health care providers and medical device manufacturers, and I hope that it will do so.

Mr. PRICE of North Carolina. Mr. Speaker, I will be voting against H.R. 436, not because I believe that the current tax on the device industry is perfect, but because I object to the politicization of the issue and the use of a fundamentally-flawed offset.

As one of their first acts upon taking the majority, House Republicans voted to repeal the Affordable Care Act. Since then, they have voted to dismantle the law piece by piece. Today, they are at it again, and instead of addressing industry concerns in a concise and targeted manner, the majority has crammed together a politically-motivated bill designed to stick it to the President. Don't just take my word for it. Compare the bill we have before

us today with the 1099 repeal law. Both deal with problematic revenue raisers included in the health reform law, but the 1099 repeal bill took a targeted approach that represented practical policymaking at its best. This effort is purely political, and the result is a legislative goodby bag.

Moreover, while the 1099 bill's offset, a modification of the health insurance subsidy recapture cap, was a difficult pill to swallow, H.R. 436's offset is a poison pill. H.R. 436 would fully lift the cap, leading an estimated 350,000 people to forgo health insurance, according to the bipartisan Joint Committee on Taxation. These are working Americans earning between 133 and 400 percent of the federal poverty level. Why would the Majority ask working and middle income people to bear this burden alone? It is unacceptable.

As the representative from a part of our country known for its research and innovation, I fully understand the importance of the device industry. Medical devices have the potential to save and enrich the lives of Americans, and the companies that produce them are helping our economy recover by investing in new technology and providing high-paying, high-skilled jobs. Those companies also tried to be good actors in the health insurance reform debate. Like other industries, device companies understand that the skyrocketing cost of health care represents one of the greatest threats to families, small business owners, state and federal budgets, and the overall economy. Attempting to reverse this trend is one of the reasons Congress enacted the Affordable Care Act, and AdvaMed, the trade association representing medical device manufacturers, participated in the effort to ensure that the legislation would be deficit-neutral.

The final law brought the original \$40 billion levy on device manufacturers down to a \$20 billion contribution through a 2.3% excise tax on medical devices. However, as the ten-year budget window has shifted, industry reports that they expect to paying closer to \$29 billion. We need to monitor this carefully and find a fair solution that accounts for the additional business the device industry may acquire as a result of the Affordable Care Act, while underscoring the need to keep the industry vibrant and innovative. That is not the discussion we are having today, but I hope it is one House Republicans will be willing to have in the near future, and I stand ready to work with them to do just that.

Mr. YOUNG of Florida. Mr. Speaker, I am pleased to support the passage of H.R. 436, the Protect Medical Innovation Act of 2012, legislation I agreed to cosponsor last year aimed at repealing yet another harmful job-killing provision put into place by the President's controversial health care reform law. Unless Congress moves to repeal it, beginning in 2013, a 2.3 percent excise tax will be imposed on the sale of medical devices by manufacturers or importers across the country.

The medical device tax will increase the effective tax rate for many medical technology companies. Unfortunately, the tax would be collected on gross sales, not profits, meaning companies could end up owing more in taxes than they produce in profits. As a result, device companies, many of which are small, entrepreneurial firms, are expected to pass the cost of the tax onto consumers, lay off workers, or cut R&D. These actions are unacceptable for an industry currently employing tens

of thousands of Americans, as well as leading the way in innovation and scientific discovery. And in Florida, which is home to one of our nation's largest medical device economies, the impact of this excise tax would be particularly devastating in a state hit hard by the economic downturn.

Throughout the past year we have been listening to our local business owners who tell us the economy will not grow and new jobs will not be created until there is more certainty in our economy and more certainty in government fiscal and tax policies. H.R. 436 is a great first step in doing just that by permanently preventing the medical device tax from being implemented.

Mr. Speaker, I urge my colleagues in the United States Senate to follow our lead and quickly pass this legislation and send it to President Obama for his signature into law. Further delaying the effort to repeal this harmful tax will only lead to greater uncertainty throughout the medical technology sector, causing business owners to delay crucial decisions about long-term investment and expansion.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 679, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 436 is postponed.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 4 o'clock and 7 minutes p.m.), the House stood in recess.

□ 1621

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BASS of New Hampshire) at 4 o'clock and 21 minutes p.m.

#### HEALTH CARE COST REDUCTION ACT OF 2012

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 436) to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices will now resume.

The Clerk read the title of the bill.

#### MOTION TO RECOMMIT

Mr. BISHOP of New York. Mr. Speaker, I have a motion at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BISHOP of New York. I am in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.