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HSCA LAUNCHES “MEDICAL DEVICE TAX WATCH” WEBSITE TO RAISE AWARENESS OF EFFORTS BY SOME DEVICE MANUFACTURERS TO SHIFT COST OF EXCISE TAX DIRECTLY TO AMERICAN HOSPITALS, HEALTHCARE PROVIDERS, PATIENTS AND TAXPAYERS

New Site to Serve as Resource for Hospitals and Tool for Gathering Evidence of Manufacturers Not Paying Their Shared Responsibility for Healthcare Reform

Washington, DC (February 28, 2013) – The Healthcare Supply Chain Association (HSCA) today announced the launch of [Medical Device Tax Watch](http://www.devicetaxwatch.com), a website dedicated to raising awareness of efforts of some medical device manufacturers to pass the costs of the medical device excise tax (MDET) to American hospitals, healthcare providers, patients and taxpayers. The new site will be a resource for hospitals and a tool for monitoring the device marketplace, and can be found at www.devicetaxwatch.com.

“HSCA has been alarmed to discover mounting evidence that some medical device manufacturers have chosen to tack the costs associated with the medical device excise tax directly onto their invoices, shifting the cost burden of the tax onto American hospitals, healthcare providers, patients, and ultimately taxpayers,” said HSCA President Curtis Rooney. “National healthcare reform is a shared financial responsibility, and hospitals have already paid their fair share. HSCA is pleased to launch *Medical Device Tax Watch* as part of our ongoing effort to raise awareness of manufacturer cost-shifting efforts, and we urge all manufacturers to immediately stop passing on the costs of the medical device tax onto hospitals.”

Hospitals committed \$155 billion over the next ten years to help fund the Affordable Care Act (ACA). Hospitals are now reporting that, although some suppliers are behaving responsibly, other device manufacturers are billing hospitals directly to cover the costs associated with the ACA’s medical device excise tax.

Beginning January 1, 2013, a 2.3 percent excise tax was imposed on sales of “taxable medical devices” by manufacturers and importers. In a [March 2011 letter to the U.S. Internal Revenue Service \(IRS\)](#), HSCA joined the American Hospital Association (AHA), the Federation of American Hospitals (FAH), and the Catholic Health Association (CHA) in urging the IRS not to allow medical device manufacturers to pass on the cost of the device tax to hospitals.

“As hospitals, long-term care facilities and other healthcare providers face increased budgetary pressure, HSCA and its group purchasing organization (GPO) members will continue to be critical cost-savings engines, delivering the best products at the best value to the supply chain,” added Rooney. “HSCA will also continue to serve as a resource and advocate for American hospitals and healthcare providers as we monitor the medical device marketplace for evidence of unfair cost-shifting.”

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About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association, formerly the Health Industry Group Purchasing Association, is a broad-based trade association that represents 14 group purchasing organizations, including for-profit and not-for-profit corporations, purchasing groups, associations, multi-hospital systems and healthcare provider alliances. HSCA's mission is to advocate on behalf of healthcare group purchasing associations, to provide educational opportunities designed to improve efficiencies in the purchase, sale and utilization of all goods and services within the health industry and to promote meaningful dialogue between GPOs. For more information, visit www.supplychainassociation.org.