

MDMA

MEDICAL DEVICE MANUFACTURERS ASSOCIATION

IMPACT OF REINSTATING THE MEDICAL DEVICE TAX

The two-year suspension of the medical device tax that passed in 2015 was a tremendous boost for innovation, patient care and job creation. **70 percent** of companies increased hiring and created new **jobs** as a result of the suspension, while those who increased their **R&D** budget did so on average by **19 percent**.

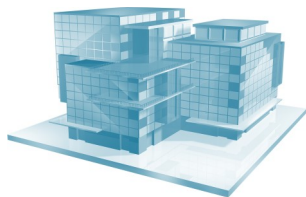
Unfortunately, the suspension of the device tax is set to end starting in 2018, and medical technology innovators have already made difficult decisions to address its possible return. The damage this destructive policy caused is clear, with the Department of Commerce noting that the industry lost 28,000 jobs during the time that the medical device tax was in place.

To gauge the devastation on patient care and job creation that would result if Congress neglects to act, MDMA initiated a survey similar to those we have been conducting since 2010. This survey included over 100 responses from senior executives at some of the United States' most innovative and entrepreneurial medical device companies.

Findings Include:



88 percent of innovators would slow down hiring and/or have to eliminate jobs



77 percent of respondents noted that reinstatement of the medical device tax would cause them to slow and/or stop expansion plans



83 percent of innovators would have to decrease investments in R&D if the device tax is reinstated