

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.

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#### 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.