

House panel votes to repeal health law's medical device tax

June 2 2015, by Alan Fram

A Republican-run House committee voted Tuesday to repeal a 2.3 percent tax on many medical devices that helps pay for President Barack Obama's health care overhaul.

The Ways and Means Committee's mostly party-line 25-14 vote came with Republicans complaining that the levy costs jobs and stifles innovation.

"It's like putting sandbags on the wings of the Wright Brothers as they try to figure out how to fly an airplane," said Rep. Patrick Meehan, R-Pa.

Democrats say those claims are exaggerations and complained that Republicans have offered no savings to cover the \$24.4 billion in lost revenue the repeal would cost over the coming decade.

The [bill](#) was "the obvious effort of Republicans to essentially piece by piece, if they can't do it entirely, to repeal" Obama's health law, said Rep. Sander Levin, D-Mich.

The GOP-led House has voted three times to repeal the medical device tax since it was enacted in 2010 and the Senate approved a repeal in 2013, though on a non-binding vote. Senate Finance Committee Chairman Orrin Hatch, R-Utah, has introduced a repeal bill in his chamber that has garnered some Democratic support, but no vote has been scheduled.

The tax, which took effect in 2013, does not apply to consumer items like eyeglasses and pregnancy test kits.

The Ways and Means committee approved a separate bill repealing another part of the [health law](#): an independent panel that is supposed to propose ways to reduce Medicare spending. Seven Democrats joined Republicans in pushing that measure through the panel.

Supporters of that bill say the Independent Payment Advisory Board has too much power, since its suggested savings would take effect unless Congress blocks them.

None of the board's 15 members has been appointed yet. The panel could only issue proposals if the growth in medical costs reaches levels that, thanks to a slowdown in [health care](#) inflation, are not expected anytime soon.

By law, the board's suggestions cannot ration care or propose increased premiums or other costs for beneficiaries, meaning its proposals would be largely limited to reimbursements to many providers.

Repealing the board would cost an estimated \$7 billion over 10 years. Republicans have not proposed any savings to pay for the bill.

© 2015 The Associated Press. All rights reserved.

Citation: House panel votes to repeal health law's medical device tax (2015, June 2) retrieved 5 May 2024 from <https://medicalxpress.com/news/2015-06-house-panel-votes-repeal-health.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--