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June 24, 2019

The Honorable Pat Toomey  
248 Russell  
Senate Office Building  
Washington DC, 20510

The Honorable Bob Casey Jr.  
393 Russell  
Senate Office Building  
Washington DC, 20510

Dear Senator Toomey and Senator Casey,

Thank you for the opportunity to submit comments and recommendations to the Task Force in response to the Finance Committee's efforts to develop long-term solutions to temporary tax policies. On behalf of the members of our collective organizations I appreciate your interest in hearing from stakeholders on such an important issue.

As dentists, we are deeply concerned about the possible adverse impact the 2.3 percent medical device excise tax (26 USC § 4191) paid by manufacturers, importers, and producers of certain dental devices will have on patient care and cost. Those subject to the tax will likely offset these new costs by increasing the prices of the materials, supplies, and equipment sold to dental practices. In addition to the excise tax itself, manufacturers will offset the costs of administering and paying the tax, which would likely result in higher fees for our patients. The dental device manufacturing industry has estimated that the medical device excise tax could increase the cost of dental care by more than \$160 million annually.

An increase in the cost of oral health care as a result of the excise tax on medical devices, including dental and orthodontic devices, will of course negatively impact access to oral health care services.

In addition, dental professionals who operate solo or small group practices are economic engines for their communities as small businesses. The majority of practicing dentists work in practices comprising five or fewer dentists. Operating costs for dental practices, particularly specialties, are significant, and the ability to sustain or grow small businesses like dental practices will be further strained with the implementation of the medical device tax.

Our respective organizations understand that the rationale justifying the imposition of the tax is, at least in part, that under the Affordable Care Act there will be more patients and, therefore, more revenue for the medical segment of healthcare. Under this reasoning, additional revenue would in part offset the added expense of the excise tax. However, there are no elements within the Act that would result in additional revenue related to the adult dental patient segment. Consequently, the tax places an inequitable burden on the dental community and dental patients.



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Large bipartisan majorities in Congress agree that the medical device tax is bad policy. Thanks in no small part to your leadership and the efforts of the Committee on Finance, Congress has suspended the tax twice for a total of four years. Notably, by the end of this year, Congress will have suspended the tax for longer than it was in effect, with no measurable impact on coverage. Repeal of the device tax will not have a significant impact on the overall finances of the ACA, despite prior concerns.

The current suspension expires on December 31, 2019. Dental practices today are already in the process of making important planning decisions for 2020, with a possible reinstatement of the tax looming before them.

We strongly encourage the Task Force to recommend the full repeal of the medical device excise tax and urge the Committee to move promptly to consider legislation that includes repeal. We stand ready to work with you to advance any legislative vehicle that will address the medical device tax.

Thank you again for this opportunity to share our thoughts on behalf of dentistry and the oral health needs of our patients. We look forward to working with you and your staff on a permanent solution. Please contact Pat O'Connor at (703) 351-6222 or [patoconnor@kentoconnor.com](mailto:patoconnor@kentoconnor.com) with any questions.

Sincerely,

Academy of General Dentistry  
American Association for Women Dentists  
American Academy of Oral and Maxillofacial Pathology  
American Association of Orthodontists  
American Association of Oral and Maxillofacial Surgeons  
American Academy of Periodontology  
American Association of Endodontists