



# ObamaCare's Midwest Miss

***As Obama Pitches New Economic Programs For The Midwest, He's Forgotten That His Signature Program Is Already Killing Jobs***

**Today, President Obama Will Announce A Manufacturing Hub In Detroit, Michigan.** "President Barack Obama will announce two new manufacturing institutes aimed at attracting and nurturing businesses that will hire workers for highly paid jobs in the United States, a White House official said on Saturday. One institute, to be located in Detroit, will focus on lightweight and modern metals." (Mark Felsenthal, "Obama To Unveil Manufacturing Institutes In Detroit, Chicago," [Reuters](#), 2/22/14)

**"President Barack Obama Is Taking His 'Year Of Action' Tour To Minnesota ..."** "President Barack Obama is taking his 'year of action' tour to Minnesota, heading to St. Paul on Wednesday to announce a new competition encouraging investments to create jobs and restore infrastructure." ("Obama To Take 'Year Of Action' To Minnesota," [The Associated Press](#), 2/23/14)

## **OBAMACARE'S MEDICAL DEVICE TAX HAS KILLED JOBS ACROSS THE COUNTRY**

**"The Medical Device Industry's Major Trade Group Says That A New Tax On Revenue Cost The Industry 33,000 Med-Tech Jobs In 2013."** (Jim Spencer, "Group Says Tax On Medical Device Makers Has Cost Jobs," [\[Minneapolis, MN\] Star-Tribune](#), 2/19/14)

- **According To AdvaMed, "14,000 Industry Jobs Were Cut And Companies Deferred Hiring Of Another 19,000 Workers."** "The Advanced Medical Technology Association - AdvaMed - based its conclusion on a survey of members conducted late last year. Thirty-eight companies - about 15 percent of AdvaMed's membership - responded to the survey, and AdvaMed 'generalized' those results across the entire industry to determine that approximately 14,000 industry jobs were cut and companies deferred hiring of another 19,000 workers." (Jim Spencer, "Group Says Tax On Medical Device Makers Has Cost Jobs," [\[Minneapolis, MN\] Star-Tribune](#), 2/19/14)

### ***Medical Device Manufacturers In Minnesota And Michigan Have Been Devastated By ObamaCare's Tax***

**Boston Scientific Announced That It Would Cut 2,400 Staff Or 10 Percent Of Its Workforce That Could Leave Minnesotans Out Of Work.** "Boston Scientific said Tuesday it will prune another 900 to 1,000 jobs from its global workforce as it tries to manage the effects of the new medical device tax while investing in new products and geographical markets. The job cuts, part of a broader restructuring program started in 2011, will bring the total number of reductions to 2,400, or 10 percent of the company's workforce. What remains unknown is how many of those cuts will happen in Minnesota, where Boston Scientific, one of the world's largest medical device companies, employs about 5,000

people in Maple Grove, Arden Hills and Plymouth.” (James Walsh, “Boston Scientific To Cut Up To 1,000 More Jobs,” [\[Minneapolis, MN\] Star Tribune](#), 1/30/13)

- **Boston Scientific’s CEO Said ObamaCare’s Medical Device Tax Was To Blame, In Part, For The Layoffs.** “Mahoney said the new medical device tax, which the federal government has begun collecting from Boston Scientific and competitors such as St. Jude Medical and Medtronic, played a role in Boston Scientific’s decision to cut jobs. The tax on medical device makers’ revenues is expected to help pay for changes in the federal health care overhaul. (James Walsh, “Boston Scientific To Cut Up To 1,000 More Jobs,” [\[Minneapolis, MN\] Star Tribune](#), 1/30/13)

**Clarus Medical In Minnesota Has Delayed Hiring Due To The Extra Costs Added On By ObamaCare’s Medical Device Tax.** “A handful of smaller Minnesota companies say the tax is mostly delaying hiring. That’s the case for Clarus Medical, whose CFO, Randy Gatzke, said the tax is essentially a worthless expense for his company — he compared it to an employee who shows up and punches his time card, but who just sits around and refuses to work all day. The company tried to pass on the cost as a new line-item charge to its customers, but ‘the longer the year went on the less tolerant they became of it,’ he said. ‘We’ve been eating that for a number of months here.’” (Devin Henry, “Tax Unites Medical Device Industry And Minnesota’s Lawmakers,” [MinnPost](#), 10/22/13)

**Vice President Of Nascent Surgical Said ObamaCare’s Medical Device Tax Has Made It Difficult To Attract Investors And That It Was Hurting Technology Innovations.** “Joseph Schultz, the vice president of Nascent Surgical, said his company has struggled to attract new investors and said the tax may be pushing technology businesses out of the country (tax supporters say this fear is overblown, since the tax applies to the sale of all devices in the United States, foreign-made or otherwise). When foreign business groups have tried convincing Schultz and others to move off-shore, “it’s been pretty convincing,” he said. ‘I think if I were to start this thing again, I don’t think it would be in Minnesota.’” (Devin Henry, “Tax Unites Medical Device Industry And Minnesota’s Lawmakers,” [MinnPost](#), 10/22/13)

**In 2010, Minnesota-Based Medtronic Predicted ObamaCare’s Medical Device Tax Would Force The Company To Cut At Least 1,000 Jobs.** “A large swath of the business community opposed the changes, arguing the legislation was too broad and had too many taxes. ‘This will make us one of the highest-taxed regions in the world, and that’s going to have an impact on the appetite for people to invest in medical innovation,’ said Bill Hawkins, chief executive of Medtronic Inc., which makes medical devices. He said his company could cut at least 1,000 jobs to absorb a new 2.3% excise tax on medical-device makers.” (Greg Hitt and Janet Adams, “House Passes Historic Health Bill,” [The Wall Street Journal](#), 3/22/10)

- **Medtronic Eliminated “2,000 Jobs Worldwide, Including 500 In Minnesota.”** “Medtronic is eliminating 2,000 jobs worldwide, including 500 in Minnesota, in a move that is part of an industry trend to consolidate and shed employees in struggling markets. The Fridley-based manufacturer must shift resources from areas that are slow performing to those that are seeing more impressive growth, such as technology to treat chronic pain, said Omar Ishrak, Medtronic’s CEO. Most of the company’s cuts are in its cardiac and spine businesses, areas hit hard by pricing pressures and sluggish sales.” (James Walsh, “Medtronic Sheds 2,000 Jobs Worldwide, 500 In Minnesota,” [\[Minneapolis, MN\] Star Tribune](#), 5/22/13)

**Michigan-Based Stryker Stated That The Medical Device Tax Will Cost The Company \$100 Million A Year Which Has Forced The Company To Slash Its Research And Development Investments By 20 Percent..** REPORTER: “There are also new taxes affecting west Michigan industry in particular that took effect this year. There’s a new 2.3 percent excise tax on medical device manufacturers. According to some reports, Kalamazoo based Stryker has laid off more than a thousand people because of it, and owes

the federal government upwards of \$100 million dollars this year alone. Late last week, a Stryker spokesperson told me ObamaCare will cost the company 20% of its total research and development investments. And although it's no secret that drug-makers like Pfizer stand to profit billions because of the increased numbers of insured Americans and the corresponding increased need for medicines – they're being hit with an excise tax as well, on brand named drugs – running into tens of billions of dollars.” ([WWMT](#), 9/9/13)

- **Kevin Lobo, President And CEO Of Stryker: “We [Stryker] Would Much Rather Use Those Dollars To Create Jobs ...”** KEVIN LOBO: “Thank you for your comments and I - we, as a company, Stryker is very concerned about the medical device excise tax. As I mentioned earlier in my presentation, it will be a \$100 million impact to the corporation this year. That's roughly 20% of our annual R&D budget. We would much rather use those dollars to create jobs and to provide innovative products and services to enhance and save patient lives.” (Stryker Annual Shareholder Meeting, FD Wire, 4/30/13)

**Stryker Corp. Laid Off Approximately 1,000 People In 2012.** “Stryker Corp.’s planned layoffs of 5 percent of its global workforce are on track to be completed by the end of 2012. Over the weekend, news reports put the total number of layoffs at 1,170, but Tamara Cutler, vice president of public affairs, said in an email that figure was inaccurate. “The estimated 5 percent workforce reduction was announced in Nov. 2011 and at that time, we had approximately 20,000 global employees, so the 5 percent was estimated to be about 1,000 employees,” wrote Cutler.” (Yvonne Zipp, “Stryker Corp. To Complete Planned Layoffs Of 1,000 Workers By End Of 2012,” [Kalamazoo Gazette](#), 11/19/12)

- **Stryker Named The Medical Device Tax As Responsible For The Layoffs.** “The Kalamazoo-based medical device maker first announced the layoffs in November 2011 to ‘provide efficiencies and realign resources in advance of the new Medical Device Excise Tax scheduled to begin in 2013,’ a press release said at the time, ‘as well as to allow for continued investment in strategic areas and drive growth despite the ongoing challenging economic environment and market slowdown in elective procedures.’” (Yvonne Zipp, “Stryker Corp. To Complete Planned Layoffs Of 1,000 Workers By End Of 2012,” [Kalamazoo Gazette](#), 11/19/12)

### ***And Medical Device Manufacturers Across The Country Have Shed Jobs Since ObamaCare Was Enacted Into Law***

**Smith & Nephew Laid Off 100 People At Plants In Tennessee And Massachusetts, Blaming The Medical Device Tax.** “Smith & Nephew eliminated nearly 100 jobs in Memphis and Andover, Mass., on Thursday, Jan. 31, as the medical device company cuts expenses in an effort to offset tax hikes included in the Affordable Care Act. The Affordable Care Act includes a 2.3 percent medical device tax, which took effect Jan. 1. The London-based company, which employs about 1,800 people in Memphis, said the new tax will cost the industry about \$30 billion over 10 years. ‘(The tax) has impacted a number of companies across the U.S.,’ said Joe Metzger, senior vice president of corporate communications. ‘Smith & Nephew is not immune from this added expense burden.’” (Michael Waddell, “Smith & Nephew Reduces Workforce,” [Memphis Daily News](#), 1/31/13)

**New York-Based Welch Allyn Announced It Would Lay Off 275 People Globally, Including 120 People At Its Skaneateles, NY Headquarters.** “Welch Allyn, the Skaneateles-based medical device maker, intends to shrink its global workforce by 275 people as part of a 10 percent reduction over the next three years, according to a source briefed today about the company’s plans. The global restructuring will include 45 involuntary layoffs and 75 voluntary buyouts in Skaneateles over the next 18 months, according to the source, who asked not to be identified because the information had not been made

public by the company.” (Mark Weiner, “Welch Allyn To Shrink Global Workforce By 275 People Over Three Years,” [Syracuse Post-Standard](#), 9/10/12)

- **Welch Allyn Blamed ObamaCare’s Medical Device Tax As For The Layoffs.** “In making the announcement, Welch Allyn said these actions will proactively prepare the company to address the new onerous U.S. Medical Device Tax scheduled to begin in 2013 as mandated in the Affordable Care Act, as well as other significant changes driven by healthcare reform and market dynamics.” (Press Release, “Welch Allyn Initiates Global Restructuring Program,” [Welch Allyn](#), 9/10/12)

## **LAWMAKERS FROM MINNESOTA AND MICHIGAN NOW REALIZE THAT THEIR VOTE FOR THE JOB-KILLING TAX WAS A MISTAKE**

**Despite Pleas For The Delay Of The Medical Device Tax, Obama Stated That He Will Not Delay Or Repeal ObamaCare’s Medical Device Tax.** WCCO’s FRANK VASCELLARO: “It’s the medical device tax, it’s really important for companies like St. Jude and Medtronic and any medical device company and there are a number of them in Minnesota. It’s a tax that would help pay for ObamaCare. And the most interesting thing is that Senator Franken and Klobuchar, who are Democrats from Obama’s own party would like to perhaps repeal part of this or at least delay this medical device tax. So I asked the president today are you willing to at least delay the tax?” OBAMA: “No, and here’s why. The health care bill is going to provide those medical device companies 30 million new customers. It’s going to be great for business and they’re doing really well right now.” ([WCCO](#), 12/13/12)

- **Health And Human Services (HHS) Secretary Kathleen Sebelius Reaffirmed The Obama Administration’s Position That It Does Not Support Repealing ObamaCare’s Medical Device Tax.** REP. LARRY BUCHSON (R-IN): “The medical device tax repeal passed recently 79-20 in the Senate during their budget process. As you know, the last Congress passed in the House, 270-146 with 37 Democrats voting in the affirmative to repeal the tax. Does the administration support repealing the device tax?” KATHLEEN SEBELIUS: “No sir.” (Committee On Education And Workforce, U.S. House, [Hearing](#), 6/4/13)
- **“‘Absolutely Not,’ White House Spokesman Jay Carney Answered When Asked If President Barack Obama Would Support Repealing The Tax.”** (Stephen Ohlemacher, “Congress Voted Before To Repeal Medical Device Tax,” [The Associated Press](#), 9/28/13)

## ***Democrat Senators And Representatives Condemned The ObamaCare Tax After Voting In Favor Of Jeopardizing Their States’ Medical Device Industries***

**Senators Amy Klobuchar (D-MN) And Al Franken (D-MN) Called For “Full Repeal” Of ObamaCare’s Medical Device Tax In A Letter To Then-Senate Finance Committee Chairman Max Baucus (D-MT).** “We anticipate that your upcoming visit will demonstrate the importance of this industry to our state and national economy, and we respectfully request that you use your authority as the Chairman and Ranking Member of the Senate Finance Committee To Include A Full Repeal Of The Medical Device Tax In Any Comprehensive Tax Reform Effort.” ([Letter To Chairman Max Baucus And Ranking Member Orrin Hatch](#), 7/8/13)

**Senator Amy Klobuchar (D-MN): “The Tax Is A Burden On Medical Device Businesses But, Most Importantly, It Is A Disincentive For Jobs.”** KLOBUCHAR: “I can tell you, medical device jobs are one of those kinds of jobs. In order to assure that our country leads a world leader in medical device innovation, we have to address the 2.3% excise tax on medical devices. ... A lot of medical devices are used by people who are older. They tend to have health care coverage with Medicare and other things. And so that is the issue here, is that this is not at the right rate, this is not the right tax and it should be repealed. The tax is a



burden on medical device businesses but, most importantly, it is a disincentive for jobs. It stifles innovation and it makes it more difficult for the next generation of lifesaving devices to make it to the market.” (Sen. Amy Klobuchar, [Floor Statement](#), 3/21/13)

- **Senator Amy Klobuchar (D-MN) Voted For ObamaCare And Its Job-Killing Medical Device Tax.** (H.R. 3590, [Roll Call Vote #396](#), Agreed To 60-39: R 0-39; D 60-0, 12/24/09, Klobuchar Voted Yea)
- **Senator Al Franken (D-MN) Voted For ObamaCare And Its Job-Killing Medical Device Tax.** (H.R. 3590, [Roll Call Vote #396](#), Agreed To 60-39: R 0-39; D 60-0, 12/24/09, Franken Voted Yea)

**In A December 2012 Letter To Senate Majority Leader Harry Reid (D-NV), Senator Debbie Stabenow (D-MI) Requested That ObamaCare’s Medical Device Tax Be Delayed.** “As discussions on the fiscal cliff and our nation’s economic future progress, we write to request a delay in the implementation of the medical device excise tax scheduled to take effect on January 1, 2013.” ([Letter To The Honorable Harry Reid](#), 12/4/12)

- **Senator Debbie Stabenow (D-MI) Voted For ObamaCare And Its Job-Killing Medical Device Tax.** (H.R. 3590, [Roll Call Vote #396](#), Agreed To 60-39: R 0-39; D 60-0, 12/24/09, Franken Voted Yea)

**In March 2013, The Senate Voted To Repeal The Medical Device Tax By An Overwhelming 79-20 Margin, Including Support From 34 Democrats.** “Thirty-four Senate Democrats joined Republicans on Thursday night in a nonbinding but overwhelming vote to repeal a key tax in President Barack Obama’s health reform law. The Senate voted 79-20 to get rid of the law’s 2.3 percent sales tax on medical device-makers.” (Jennifer Haberkorn, “Democrats Join Push To Dump ObamaCare Tax,” [Politico](#), 3/22/13)

- **Senators Klobuchar, Franken And Stabenow Voted To Repeal ObamaCare’s Job-Killing Medical Device Tax.** (S. Amdt 297 to S.Con.Res 8, [Roll Call Vote #47](#), Adopted 79-20: R 45-0; D 34-29, 3/21/13, Begich, Pryor, And Hagan Voted Yea)

**In September 2013, A Bipartisan Majority In The House, Including 17 Democrats, Voted To Repeal The Medical Device Tax.** “Late Saturday night the House passed two amendments to the Senate spending bill, one to delay the implementation of ObamaCare for a year, the other to repeal the tax on medical device manufacturers that was included in the Affordable Care Act to help offset the cost of expanded insurance coverage. ... On the medical device tax repeal, 17 Democrats voted for it, as did all Republican members.” (Tom Curry, “Cruz Urges Reid To Call Senate Into Session And Avert Shutdown,” [NBC News](#), 9/29/13)

**43 House Democrats Have Co-Sponsored The “Protect Medical Innovation Act Of 2013,” Which If Enacted, Would Repeal ObamaCare’s Medical Device Tax.** ([H.R. 523](#), Introduced 2/6/13)

- **Representative Keith Ellison (D-MN), Representative Betty McCollum (D-MN), And Representative Tim Walz (D-MN) Hypocritically Voted For ObamaCare But Have Cosponsored Legislation Repealing ObamaCare’s Job-Killing Medical Device Tax.** ([H.R. 523](#), Introduced 2/6/13; H.R. 3590, [Roll Call Vote #165](#), Adopted 219-212: R 0-178; D 219-34, 3/21/10)