

pay ransoms so Democrats would spare their industries greater harm. Sure enough, the device maker lobby, AdvaMed, was among the “stakeholders” that joined with Mr. Obama in a Rose Garden ceremony in May and pledged to “save” \$2 trillion over 10 years to fund his program.

AdvaMed was nothing if not a team player. It endorsed Democratic inspirations like comparative-effectiveness research and value-based purchasing, despite the danger that under such centralized decision-making the government will decide that the most effective and valuable treatments also happen to be the cheapest—rather than those that are best for patients. It also suggested a variety of other taxes that would have resulted in a lower bottom line, much as Big Pharma promised \$80 billion in drug discounts and the American Hospital Association agreed to \$155 billion in Medicare and Medicaid reimbursement cuts.

But the word on Capitol Hill is that AdvaMed’s tribute wasn’t handsome enough for Mr. Baucus’s tastes. The massive new tax—which wasn’t a part of any of his policy blueprints released earlier this year—is in part retaliation. Partly, too, the device makers simply don’t have the same political clout as the other big players, making them an easier mark. Old Washington hands are saying the device lobby made a “strategic mistake” by not offering Mr. Baucus more protection money, but the real mistake was trying to buy into the ObamaCare process, instead of trying to defeat its worst ideas outright.

And now it may be too late. As we’ve argued, liberal Democrats think that merely allowing an industry to continue to exist is a concession, and they’re already taking the pharma and hospital concessions and running them higher. In the case of devices, patients will be left with higher costs for fewer life-saving technologies.

Mr. SOUDER. This proposed provision would tax these companies 10 to 30 percent. Medical devices are currently paid for by hospitals. You don’t declare that individually in Medicare or in any other health—it goes through a hospital. The hospitals have already been asked to lower their costs and put money into the system. So this would be a direct tax based on the sales and profits of these companies.

Now there are three classes of medical devices. The joke that occurred around this was, in class one, Q-tips are called a medical device. Well, we heard today that Q-tips are going to be exempt, as are condoms, as are home pregnancy tests, as are scented Maxi Pads. So I guess that’s the good news. The bad news is that what isn’t exempt is class two and class three, which are going to have huge taxes on these companies and will restrict innovation. What are they? Heart valves, automatic cardiac defibrillators, heart imaging machines, insulin pumps, hearing aids, electric wheelchairs, and of course, all orthopedic joints—spine and neck implants included with that. They are going to be taxed.

What in the world is going on here? I think that a lot of people are of the impression that this kind of stuff just comes, that somehow it magically appears. In fact, I’ve heard people say, Well, why don’t we all just get on Medicare? Besides the fact that Medicare is broke, Medicare hasn’t invented

anything for hips. They only cover variable costs. No research comes out of Medicare. No research comes out of Medicaid. No research comes out of the Veterans Administration. All that’s funded by private pay. All that’s funded by profits of corporations.

And if you take away the profits, they aren’t going to be developing special hips for 18-year-old soldiers who are shot up. They now have body armor, but they are getting shot in their joints and now have to live for the rest of their lives with that. They aren’t going to do it for the little kids. As people live longer and have this in their bodies longer, they aren’t going to do all the variations. They aren’t going to be able to do custom orders. R&D will tend to be shot. It may move offshore. It may totally disappear. This tax would be a disaster to America, and I hope it can be defeated.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

(Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. INGLIS) is recognized for 5 minutes.

(Mr. INGLIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN from Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEMOCRATIC FRESHMAN CLASS HOUR ON HEALTH CARE

The SPEAKER pro tempore. Under the Speaker’s announced policy of Jan-

uary 6, 2009, the gentleman from New York (Mr. TONKO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TONKO. Madam Speaker, as you know, we have a very talented freshman class in the House of Representatives. And for the next hour, Members of the freshman class will be discussing health care. We would like to thank the Democratic leadership for giving us time to discuss this very important issue. Within the freshman class I believe is a diversity of work experience and work expertise, skill sets that have been brought to this Chamber to discuss various policies.

Well, nothing could be more pressing, Madam Speaker, than the need for health care reform. Just yesterday I was pleased to welcome President Obama to the 21st Congressional District of New York, which I represent, specifically to the city of Troy, New York. He had spoken about the innovation economy. He had spoken about the recovery from this recession, which has been deep and long. He made mention that there is no recovery without addressing health care costs for our businesses, to be able to go forward with a meaningful plan that will allow for employer-based coverage at an affordable price.

So this evening as we speak about health care reform, it is significant to our business community, it is significant to our families, the working families across America, and it is significant to government, as health care costs for government-provided health care in our local municipalities, in our school systems, is rising well beyond inflation.

In fact, just today a report was issued by the Office of the Vice President that spoke to, on average, 5.5 percent increases on family plans across America. That average of 5.5 percent came during this recession period that actually saw inflation dropping by 0.7 percent. So this is a remarkable statistic that we’re seeing this growth continuing.

We have been joined, and we are joined by two of our colleagues right now. We have Representative GERRY CONNOLLY from Virginia’s 11th District and Representative CHELLIE PINGREE from Maine’s 1st Congressional District. Representative CONNOLLY, if you please.

Mr. CONNOLLY of Virginia. I thank my friend and colleague from New York. I just wanted to amplify the point you just made, Mr. TONKO. Last week the Kaiser Family Foundation issued a report. This isn’t coming from any committee in Congress. This is an independent analysis. It said that the average family of four in the United States is currently spending over \$13,000 a year for health care coverage. If we do nothing, by 2018, in only 9 years, that \$13,000 a year will be \$30,000 a year, pushing health care affordability beyond the reach of millions of American families if we do nothing.