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AdvaMed

Advanced Medical Technology Association

News

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**Cost of Medical Technology R&D Set to Increase;
*AdvaMed Urges Congress to Extend and Strengthen the R&D Credit***

WASHINGTON, D.C. – AdvaMed and its membership of 1,200 medical technology innovators urge Congress to act quickly and extend the research tax credit (R&D credit), which is set to expire tomorrow. The R&D credit will help offset the rising cost of performing research activities in the United States that often lead to breakthroughs in our nation's ability to detect and treat the most deadly and debilitating diseases.

Due to unprecedented investment in R&D, American health care innovation is the envy of the world. The nation has witnessed a revolution in patient care that was unimaginable 20 or 30 years ago. R&D spending more than doubled during the 1990s and now stands at 11.4 percent of sales, four times the average for manufacturers overall. This investment has led to advances that detect diseases earlier and offer new, more effective treatments for diseases like cancer, diabetes and heart failure.

Extending the R&D credit will provide companies with a continued, proven incentive to maintain and increase their investment in U.S.-based research and development, helping to foster a climate for medical technology innovation and bolster the U.S. economy. There are nearly 6,000 medical technology companies in the United States, employing more than 300,000 workers and paying 49 percent more per worker than the average manufacturing job.

Small medical technology companies—which are responsible for most of today's breakthrough technologies—benefit most from the R&D credit. More than 90 percent of medical technology companies have fewer than 100 employees. Making the credit permanent will provide certainty to these emerging growth companies, when making critical long-term investment decisions.

AdvaMed is the world's largest association representing manufacturers of medical devices, diagnostic products, and medical information systems. AdvaMed's more than 1,200 members and subsidiaries manufacture nearly 90 percent of the \$75 billion of health care technology products purchased annually in the United States, and more than 50 percent of the \$175 billion purchased annually around the world. AdvaMed members range from the largest to the smallest medical technology innovators and companies. Nearly 70 percent of our members have fewer than \$30 million in sales annually.

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