

Written Testimony by Timothy Chang, MD  
to the House Ways and Means Committee  
in Opposition to HB 49, Main Operating Budget  
Wednesday, March 22, 2017

My name is Dr. Timothy Chang and I am a board-certified dermatologist at MetroHealth in Cleveland and Clinical Assistant Professor at Case Western Reserve, School of Medicine. I am writing in opposition to the proposed tax on cosmetic medical procedures from the proposed FY18-19 budget and urge you to remove this provision from the bill.

This tax increase will negatively affect hundreds of middle class Ohioans for several different reasons. First, contrary to popular belief, cosmetic surgery is no longer an exclusive luxury afforded by the very wealthy. In 2015, the American Society of Plastic Surgeons (ASPS) found that 71% of plastic surgeries were for individuals making less than \$60,000 a year and 86% of cosmetic surgery patients are working women.

Second, this tax increase violates patient privacy. This provision invites the Ohio Department of Taxation (the Department) into the exam room. Enforcement of this provision will include the Department auditing patient medical records to determine whether procedures were elective and/or cosmetic. The tax also requires physicians to collect the tax and then holds physicians liable should an individual fail or refuse to pay the tax. The line between "cosmetic" and "reconstructive" surgery is not always clear and places medical office staff with the burden of interpreting tax law. It later leaves the final decision of medical necessity up to tax auditors. Both are completely inappropriate propositions.

Third, and most important, there are several medically necessary procedures which could be subject to the tax. For example, my patients who suffer from hyperhidrosis (excessive sweating) are treated by getting injections of Botox to the affected areas. These patients are sometimes required to purchase Botox as an out of pocket expense as some insurance providers do not cover the cost of Botox, although it is being used to treat a medically necessary procedure. These patients could then be subject to the proposed "cosmetic tax". In addition, my patients who seek laser treatment for disfiguring acne scars or keloids could also be subject to this "cosmetic tax".

I urge this committee to not go down the path of taxing patients who are trying to get needed medical procedures done. This has the potential to have a very negative impact on my patients and my profession. There is a fear that patients may leave Ohio to get medical procedures done in a state who does not have this tax. To date, Connecticut is the only other state to impose this tax.

I urge you to remove the proposed tax on cosmetic medical procedures from HB 49.

Thank you for your consideration of this important issue.