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**Medical Community of Illinois Urges No Vote on  
Medical Procedure Taxes**

*Doctors and Patients Testify about Fiscal and Ethical Problems  
with Proposed Legislation*

**FOR IMMEDIATE RELEASE**

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SPRINGFIELD – Doctors and patients from across Illinois today told Illinois lawmakers that a proposed 6 percent tax on cosmetic surgery patients to fund stem cell research is fiscally unsound and inadequate, medically and ethically ambiguous and sets a dangerous precedent for taxing elective medical procedures.

A growing number of organizations and associations from across the medical community are quickly joining together to urge legislators to find another revenue source if they choose to fund stem cell research. Legislation heard today in the Senate Health and Human Services committee (SB2100) would impose the new tax on people having cosmetic surgery.

At the heart of their concerns is the unfounded and misguided expectation that the tax will generate adequate funding for stem cell research. Evidence is already building that a cosmetic surgery tax would prove to be a deficient and risky revenue source.

New Jersey, the only state currently taxing cosmetic surgery, grossly overestimated tax revenues from its 6 percent tax. According to *The Record* (Hackensack, NJ), instead of the estimated \$24 million, the state now expects to collect just \$6.8 million in tax revenue this fiscal year, a 72 percent shortfall. In addition, New Jersey legislators greatly underestimated the administrative burden in collecting the tax.

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“What New Jersey had hoped would be a tax revenue goldmine turned out to be fool’s gold,” said Harrison C. Putman, III, of the American Academy of Facial Plastic and Reconstructive Surgery. “Illinois lawmakers should heed the lessons of New Jersey’s mistakes and realize that no matter how worthy the cause, a tax on cosmetic surgery cannot and should not serve as a funding source.”

Washington used New Jersey's original projections to estimate a \$39 million yield on its proposed cosmetic medical service tax bill for fiscal years 2005-2007. Because of New Jersey’s revenue shortfall, revenue estimates for the Washington tax bill were revised down to \$4.5 million—an 88 percent reduction.

“Our concerns have nothing to do with what is being funded. While funding stem cell research at the state level may be an idea with considerable merit, we are solely concerned about the source of that funding. To tax one medical procedure to pay for another is wrong and has serious negative ramifications for all of Illinois and the health care field at large,” said Elvin Zook of the American Society of Plastic Surgeons and a practicing plastic surgeon in Springfield.

Zook said if lawmakers believe the state stem cell research program is important enough to be funded, they should look to taxing acknowledged public health threats rather than beneficial medical procedures. Such health threats may include tobacco, alcohol, and high-fat fast food—as well as drunk drivers served with DUIs.

Opponents of the tax plan also say it would set a dangerous precedent for taxing elective medical procedures.

“Where do we go from here? Do we tax lasik eye surgery or childbirth?” asked Dr. Jeffrey Poulter, a plastic surgeon from Bloomington. “This is indeed a slippery, slippery ethical slope.”

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Critics of the proposal say the legislation attempts to draw distinctions between reconstructive and cosmetic surgery that often are unclear, and puts complex and critical decisions about medical procedures in the hands of legislators and state agency tax auditors rather than medical professionals.

“The line between cosmetic and reconstructive surgery is often unclear. Who will sit in judgment and decree that a cosmetic surgery treatment is allegedly ‘unnecessary’ or that it would not in some way improve the psychological health of the patient?” said Dr. Poulter. He said that while the legislation attempts to provide guidelines, this kind of distinction is by its very nature ambiguous.

The proposed tax would also disproportionately impact working women. The American Society of Plastic Surgeons reports that 86 percent of cosmetic surgery patients are working women. In the first research of its kind, conducted in 2004 with people planning to have cosmetic surgery within the next two years, 60 percent of respondents reported a household income between \$30,000 to \$60,000.

Speaking at today’s hearings, Clinton resident Leslie Welch told legislators that there is a misperception about those who seek cosmetic surgery and why they choose to have it. While many people associate cosmetic surgery with only glamour and vanity, peer-reviewed medical studies have proven the psychological benefits of cosmetic surgery.

Welch, who struggled with obesity for much of her life, suffered both physically and psychologically from her condition. “The prejudice I experienced from being overweight wore on my own self-perception and my self-esteem. Simple tasks that a normal person takes for granted, like finding clothes that fit comfortably, were impossible tasks for a person like me,” she said.

With her doctor’s counsel, she sought to remedy her lower back pain, chest pains and arthritis in her knees, as well as her self-esteem problems, through gastric bypass surgery.

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“It is a misconception that the only people who decide to have cosmetic surgery are rich people,” Welch said. “There are millions of people just like myself, who decide to have cosmetic surgery as a means to improve their overall health and self-esteem.”

While Welch’s insurance covered her gastric bypass surgery and follow-up tummy tuck, the follow-up “lateral lift” procedure was deemed cosmetic and was therefore not covered. This procedure was necessary to remove large amounts of uncomfortable excess skin after Welch’s significant weight loss.

Because these follow-up surgeries were classified as ‘cosmetic,’ they would have been taxed under the proposed legislation.

“I can say with certainty that if this tax had existed I would have simply traveled to Iowa or Indiana to have the procedure performed,” Welch testified. “For a working woman like myself, driving the short distance to have the procedure done in another state would definitely be worth it.”

Illinois doctors who testified cited a number of surgical procedures that could be taxed under this bill including surgery to remove excess flesh after potentially life-saving gastric bypass surgery, surgery to correct sagging and deflated breast tissue from breastfeeding multiple children, cosmetic dentistry, and cosmetic surgeries to improve the appearance of accident victims, among many others.

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