

BRIGGS

Healthcare™

January, 2013

To Our Valued Briggs Customers:

You are no doubt aware of many changes in healthcare with passage of the Affordable Care Act. We're writing to alert you to an important change relating to your Briggs purchases.

Beginning January 1, 2013, The Affordable Care Act called for a new 2.3% Medical Device Excise Tax to be applied on qualifying medical devices. Final regulations guiding the implementation of this tax were just issued by the IRS and Department of Treasury in early December leaving Briggs and others in the industry scrambling to comply. The Medical Device Manufacturers Association along with a bi-partisan group of Senators voiced strong opposition to the implementation of this tax. There was some hope that a delay might be part of the recent "Fiscal Cliff" discussions. However, when negotiations concluded, the tax was still in place.

Accordingly, Briggs is beginning to collect that tax. When purchasing qualifying medical devices, you will notice a separate line on your invoice equaling 2.3% of the purchase price. Please note that your price from Briggs has not changed. We are simply identifying and collecting the excise tax amount which then gets sent directly to the federal government in compliance with the ACA.

The legislative process is dynamic and, as such, there could be changes down the road regarding this tax and its implementation. For now know that while we share your frustration, we are compelled to make this remittance.

We hope that this new process does not cause any confusion. If you have any questions regarding the excise tax, please feel free to contact me.

Thank you for allowing Briggs the opportunity to serve you and those you care for.

Sincerely,



Tom Young
Chief Financial Officer
Briggs Healthcare

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