

May 7, 2021

Dear members of the HF2128 conference committee:

On behalf of the Compressed Gas Association (CGA) and the Gases and Welding Distributors Association (GAWDA), we express strong support for language in the Senate version of HF2128, the First Unofficial Engrossment, Article 3, Sections 18-22 and 24 and Article 4, Sections 1, 4-7 and 13. This legislation would provide for statutory definitions of the medical gas industry consistent with FDA regulations and reduce licensure and renewal fees for medical gas manufacturers and wholesalers.

Our products improve the lives of all individuals, from birth through end of life, in settings such as hospitals, nursing facilities, dental facilities and at home. Common medical gases include oxygen for breathing and resuscitation, nitrogen for the storage of blood and tissue samples, and nitrous oxide for surgical procedures. Medical oxygen, specifically, has been critical in the fight against COVID-19.

Medical gases are stored and delivered either as high-pressure gases in heavy metal cylinders or as very cold cryogenic liquids, which can evaporate. For that reason, they cannot be transported efficiently over long distances. Medical gas manufacturers and wholesalers have many small facilities located close to consumers to ensure a reliable supply of medical gas.

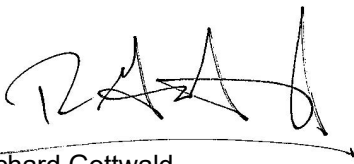
As an unintended consequence of the landmark 2019 Opiate Epidemic Response law, manufacturers and wholesalers and dispensers saw a nearly **3000% increase** in annual licensure and renewal fees. We were quite surprised at these large increases as our companies do not manufacture or distribute opioids.

While some progress was made last spring for medical gas dispensers, additional relief is necessary for medical gas manufacturers and wholesalers. If not reversed for all levels of the industry, these exorbitant fees could reduce the number of manufacturers and wholesalers. This would translate into delays for those who need medical gases like oxygen, greater strain on home care services, and an unreliable supply for hospitals, dentists and first responders. For those reasons, we encourage the adoption of HF2128, the First Unofficial Engrossment, Article 4, Sections 1, 4-7 and 13, which would reduce licensure and renewal fees for medical gas manufacturers and wholesalers to \$260 per license. These fee reductions would be offset by accessing funds made available from McKinsey settlement proceeds.

Additionally, the statutory definitions language included in the Senate bill (Article 3, Sections 18-22, 24) would provide greater clarity in statute for our operations and is language that is agreed upon by stakeholders and the Minnesota Board of Pharmacy. We would also appreciate the adoption of this language by conferees.

We urge conferees to adopt these provisions to help ensure Minnesota's medical gas supply remains reliable and accessible for people who need it most and that the industry providing these critical gases has additional clarity in current law.

Sincerely,



Richard Gottwald  
President and CEO  
Compressed Gas Association