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No Systematic Link Between Medtech Innovation and Increase in Healthcare Expenditure

New research from the European Health Technology Institute (EHTI) confirms that there is no uniform relationship between medtech innovation and an increase in healthcare expenditure. The impact of medical technology on healthcare costs is a result of multiple, dynamic factors, such as whether a technology expands the number of treatable conditions, improves the capacity of the system to treat more patients, or extends life, inducing additional years of healthcare consumption. Consequently this impact varies greatly and can result in novel technologies being cost-saving, cost-neutral or cost-increasing.

At a time where public budgets have been under increasing pressure and scrutiny, public spending on healthcare has grown at a faster pace in the last decade than the economic growth. Although there is awareness of the impact of demographics and chronic diseases on the healthcare budget, progress in medical technology is often seen as a key driver of this rising healthcare expenditure. The findings of research by the European Health Technology Institute (EHTI), however, stipulate that viewing the relationship between rising cost and medtech as static and straightforward is not productive and a more balanced view is needed.

These findings of a broad literature review of 86 publications including both qualitative and quantitative research indicate that the relationship between rising healthcare expenditure and medical technology progress depends on many factors including the availability of alternative interventions, characteristics of the patient population, the treatment setting or whether the therapy is for a previously untreatable condition.

"A technology that increases costs in one setting or in one group of patients can be cost-neutral and even costsaving under differing circumstances;" lead researcher Dr. Corinna Sorenson said on the EHTI research findings. *"Moreover, even if a given technology increases costs, it may increase benefits by an even greater amount and therefore be considered a worthwhile investment. A sound and comparative evaluation of technologies is needed to optimise investments in healthcare."*

The research also noted that the term 'medical technology' is often used in studies to cover a wide range of interventions, including novel drugs in areas such as cancer, many of which greatly add to costs. For medical technology not including pharmaceuticals, the healthcare budget invested has remained stable over the last decade.

"Our 5-year industry strategy, endorsed by our entire membership, confirms the medtech industry's commitment to value-based innovation as a way to steer Europe's healthcare systems onto a sustainable path while ensuring improved patient outcomes. To achieve this, Europe needs smart investment in health which also considers patient and broader socioeconomic benefits," said Serge Bernasconi, MedTech Europe's Chief Executive Officer.

The EHTI report can be read in full in ClinicoEconomics and Outcomes Research

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