
Soaring Healthcare Expenditure, Consumer Pressure and Expensive Medical Technology Combine to Trigger Healthcare Reform

Escalating healthcare expenditure, the introduction of expensive medical technology and intensifying consumer demand are necessitating healthcare reforms. Such reforms will alter the conditions under which the medical technology industry operates, both in Europe as well as in the United States. However, with most provisions of the law being phased over a period of time, such changes will come gradually rather than abruptly, allowing medical technology vendors time to adapt.

New analysis from Frost & Sullivan (<http://www.healthcareIT.frost.com>), Impact of Healthcare Reforms on the Medical Technology Industry, finds that in order to improve healthcare, it is important to understand the interrelationship between medical outcomes, accessibility to services and quality information for patients

Spiralling healthcare outlays paralleled by augmented healthcare costs and premium rates of medical care are creating a real and urgent need for reform in the sector. This is gaining further impetus due to the large pool of uninsured people.

"From recent reforms it is clear that the intent of most countries on a global level is to curb healthcare expenditure," states Frost & Sullivan Research Analyst Simone Carron-Peters. "For manufacturers in Europe and the US, an emerging challenge is to introduce technologies that can do more for the same price or less, rather than to develop new capabilities that add cost to the delivery of healthcare."

Inequalities in the health sector still exist between different member states of the European Union (EU) and between different regions within Europe. Given that reducing inequalities is linked to improving health, the European Commission is focusing on reforms and measures to help reduce these existing inequalities.

"The changes included in health reform include both positives and negatives for the medical technology industry, but, on balance, the industry is likely to thrive in the future," states Carron-Peters. "However, the protection and development of innovative technology is a crucial issue for both the industry and patients, who rely on medical progress for longer and healthier lives."

Healthcare involves many stakeholders – patients, health professionals, insurers and government bodies. It is evident, therefore, that radical reforms that ignore the views of the stakeholders are bound to face difficulties.

"However, incremental reforms proposed after consultation with various stakeholders are more likely to achieve a profound transformation of the health system in the long run," states Carron-Peters.

Healthcare reforms threaten to shift the financial burden to healthcare providers. There is likely to be greater demand for quality published outcomes, resulting in a substantial increase in comparative effectiveness studies between different technologies and diagnostics.

"Vendors would need to develop innovative products and execute thoughtful strategies," concludes Carron-Peters. "The aim of such an approach would be to support not only market entry but also ensure sustainable success within the marketplace."

Impact of Healthcare Reforms on the Medical Technology Industry is part of the Healthcare & Life Sciences IT Growth Partnership Services programme, which also includes research in the following markets: European Markets for Business Analytics in Healthcare, Electronic Medical Records Market in Europe and Strategic Analysis of Care Management Market in Europe. All research included in subscriptions provide detailed market opportunities and industry trends that have been evaluated following extensive interviews with market participants.

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