Home Medical Equipment

US Industry Study with Forecasts for 2018 & 2023

Study #3141 | March 2014 | $5100 | 282 pages
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*Study #3141  
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Growth home medical equipment demand will be driven by advances in the technological capabilities of products, coupled with ongoing health care cost containment efforts.

US demand to rise 8.2% annually through 2018

US demand for home medical equipment will increase 8.2 percent annually to $12.6 billion in 2018. Advances in the technological capabilities of products, coupled with ongoing health care cost containment efforts, will underlie growth. The introduction of new and improved devices and equipment will expand the number of medical conditions and patients adaptable to home treatment, management, and monitoring. Cost savings will promote the increasing substitution of home health care services for hospital, ambulatory, and nursing home procedures whenever feasible.

Home therapeutic equipment to remain dominant segment

A rising prevalence of chronic conditions, especially respiratory disorders, kidney failure, and cancer, will boost demand for home therapeutic equipment 8.2 percent annually to nearly $7.0 billion in 2018. Portable oxygen concentrators for treating chronic obstructive pulmonary disease (COPD), continuous positive airway pressure (CPAP) products for managing obstructive sleep apnea, and ventilators and accessories for alleviating severe breathing impairments will account for the fastest growth among home respiratory therapy equipment.

Demand for dialysis equipment will expand at a strong double digit pace, spurred by the increasing availability of portable dialysate delivery machines as well as by upward trends in the incidence of end-stage renal disease. By contrast, the market for IV equipment will rise well below the average pace of home medical equipment due to competition from telemedicine devices.

Remote monitoring, telemedicine to lead gains

Among all types of home medical equipment, remote monitoring and real-time systems based on telemedicine technology will generate the fastest revenue growth as physicians, hospitals, and other medical providers are pressured by health insurers to become more accountable for improving patient outcomes and controlling treatment costs. By contrast, demand for conventional patient monitors will expand at a below average pace due to competition from telemedicine devices.
Demand for home remote patient monitoring systems is projected to reach $1.1 billion in 2018, up over 36 percent annually from 2013. Growth will be driven by systems by an expanding number of medical providers, including physicians, hospitals, and home care agencies. Remote patient monitoring will improve overall access for health professionals while reducing the need for in-person visits.

Developers of remote patient monitoring systems include AT&T; Cybernet Medical; Honeywell; Intel-GE Care Innovations, a 50/50 joint venture between Intel and General Electric; McKesson; Medtronic; and Verizon Communications. Most available systems are similar in structure. A receiver/transmitter device interfaces with and records vital signs data from a number of patient monitors. The data is then transmitted to a remote server either wirelessly through a telecommunications device or via a modem-adapted telephone. The data from the server can then be accessed by a medical provider via the Internet or closed network.

Transtelephonic patient monitors have been available for more than 40 years. However, historical applications were restricted primarily to the recording of pacemaker data. Over the past decade, devices for measuring a wide range of physiological parameters have become available. Among the first systems with broad measurement capabilities to reach the market were Cybernet Medical’s MEDSTAR and Philips Healthcare’s TELESTATION.

The MEDSTAR system is a small compact receiving/transmitting unit that connects into and records measurements from a number of monitoring devices including blood glucose meters, blood pressure monitors, pulse oximeters, and spirometers. The information is then transmitted to medical providers over normal telephone lines through a special modem.

**TABLE VI-4**

<table>
<thead>
<tr>
<th>Item</th>
<th>2003</th>
<th>2008</th>
<th>2013</th>
<th>2018</th>
<th>2023</th>
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<td>Population 65 Years &amp; Older (mil persons)</td>
<td>35.9</td>
<td>38.8</td>
<td>44.6</td>
<td>52.4</td>
<td>61.4</td>
</tr>
<tr>
<td>manual chairs/000 capita 65 &amp; older</td>
<td>16.9</td>
<td>20.0</td>
<td>22.2</td>
<td>24.2</td>
<td>26.9</td>
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<tr>
<td>Manual Wheelchair Demand (000) $/unit</td>
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<td>775</td>
<td>990</td>
<td>1270</td>
<td>1650</td>
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<tr>
<td>Manual Wheelchair Demand</td>
<td>Standard Models</td>
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<td>% manual wheelchairs</td>
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<td>Wheelchair Demand</td>
<td></td>
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</tbody>
</table>

**CHART VII-1**

HOME MEDICAL EQUIPMENT MARKET SHARE ($8.5 billion, 2013)

- Others: 44.3%
- Other: 13.0%
- Pharmacy: 11.3%
- Home Health: 10.3%
- Home Telecare: 7.0%
- Other: 5.0%
- Equipment: 4.0%
- Other: 3.0%
- Other: 2.0%
- Other: 1.0%
- Other: 0.0%
Sample Profile, Table & Forecast

COMPANY PROFILES

Stryker Corporation
2825 Airview Boulevard
Kalamazoo, MI 49002
269-385-2600
http://www.stryker.com

Sales: $9 billion (2013)
US Sales: $6 billion (2013)
Employment: 25,000 (2013)

Key Products: patient beds and other furniture, and support surfaces

Stryker develops, manufactures, and markets specialty surgical and medical products, including implants used in joint replacement and trauma surgeries, surgical equipment and navigation systems, endoscopic and communications systems, and patient handling and emergency medical equipment. The Company operates through three segments: Reconstructive, MedSurg, and Neurotechnology and Spine.

Stryker competes in the US home medical equipment industry through the MedSurg segment, which posted total 2013 sales of $3.4 billion. Among the segment’s operations is the Stryker Medical division (Portage, Michigan), which recorded sales of $710 million in 2013. The division primarily manufactures and sells such patient handling and emergency medical equipment as patient beds and other furniture, and support surfaces.

Patient Beds & Other Furniture -- Patient beds from Stryker Medical typically utilize the Company’s BACKSMART technology and ergonomic designs in order to improve patient outcomes and prevent injury to caregivers. Representative products include GO BED II, S3, INTOUCH, and BARI10A patient beds. GO BED II models feature...
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