

MEDICAL TECHNOLOGY DELIVERS VALUE AND SAVINGS



Studies show that investing in access to medical technology in just four disease categories (diabetes, colorectal cancer, heart disease, and musculoskeletal disease) yields economic returns that far exceed their costs:¹

- For patients with musculoskeletal diseases, use of medical technology **saved an average of \$24,518** per patient per year.²
- Colonoscopy/sigmoidoscopy screening tests **prevented 560,000** people from developing colorectal cancer, resulting in **\$12.2 billion in savings**.³
- Use of heart disease diagnostics and surgery technology **saved an average of \$1,930** per patient per year.⁴
- Insulin pumps improved diabetes management, **saving an average of \$5,886** per patient per year.⁵

Access to state-of-the-art medical technology and diagnostics can help to deliver tremendous care and improve patient outcomes across the health system.

Medical technology delivers value every day. It represents a small and stable part of national health spending and prices have remained very competitive.

Spending on advanced medtech represents just 6 cents of each dollar spent on health care – and has since 1992.⁶ That is a remarkably small and steady part of health spending.

U.S. medtech prices have increased at an average annual rate that is less than half that of prices in the overall economy for the last 20 years. Between 1989 and 2013, medical device prices increased at an annual rate of 0.9 percent, compared to the Consumer Price Index increase of 2.7 percent.⁷

Compared to the price of all medical goods and services, medical device prices have increased at less than one-quarter the rate (0.9 percent vs. 4.9 percent).⁸

A study looking specifically at seven categories of commonly used implantable medical devices showed that the average prices hospitals paid for these devices actually dropped from 2007 to 2011.⁹

A 2015 study found that leading health systems are able to adopt the latest advances and provide technology-intensive care without having higher Medicare spending than hospitals using less technology.¹⁰ Digital health solutions are expected to save over \$100 billion in U.S. health spending over the next four years.¹¹



1. A. Chatterjee, J. King, S. Kubendran, R. DeVol. "Healthy Savings: Medical Technology and the Economic Burden of Disease." Milken Institute, July 2014.
2. ibid.
3. ibid.
4. ibid.
5. ibid.
6. G. Donahoe, G. King. "Estimates of Medical Device Spending in the United States." AdvaMed, June 2015.
7. G. Donahoe, G. King. "Estimates of Medical Device Spending in the United States." AdvaMed, June 2015.
8. G. Donahoe, G. King. "Estimates of Medical Device Spending in the United States." AdvaMed, June 2015.
9. G. Long, R. Mortimer, G. Sanzenbacher. "Recent Average Price Trends for Implantable Medical Devices, 2007-2011." AdvaMed, September 2013.
10. Avalere Health LLC. "The Impact of Medical Technology on Medicare Spending." AdvaMed, September 2015.
11. Accenture, June 4, 2015.

