Canadian Health Care System Pressuring Manufacturers to Lower Drug-Eluting Stent Prices in US$55 Million Market

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TORONTO, Oct. 5 /PRNewswire/ -- According to Millennium Research Group (MRG), the global authority on medical technology market intelligence, the Canadian interventional cardiology device market is a highly competitive and dynamic market, with a small number of large competitors fighting for market share in this extremely profitable area. As of 2010, the drug-eluting stent segment represented a $55 million market -- the most lucrative of the interventional cardiology device markets.

Entering the Canadian health system is, however, not easy for device manufacturers. One of the biggest determinants of device adoption in Canada is price because of the setup within the Canadian public health care system. Facilities receive a budget from the government that they must use to purchase devices in a way that allows universal access for Canadian citizens to health care. This means that the most advanced, and also premium-priced devices, are often not used because hospitals and facilities cannot afford to purchase them and still provide treatment to all patients. This not only limits Canadian interventional cardiology device market revenues, but also further deters manufacturers from entering or launching new products in the Canadian interventional cardiology device market because it is not viewed as cost effective by manufacturers.

"Growth in drug-eluting stent procedure volumes -- which will occur at the expense of bare-metal stent procedures -- will be sustained through 2015," says Adrienne Ma, Analyst at MRG. "According to interventional cardiologists interviewed by MRG, drug-eluting stent prices are falling dramatically in Canada because of competitive pricing pressures caused by manufacturers fighting to bolster their market share by maintaining and establishing new contracts with hospitals. The upside to the pricing declines is that facilities are able to afford more drug-eluting stents within the same constrained budget that is applied by
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