



By Carolyn Gretton

## Healthcare Reform

# Viewed as Mixed Blessing

**TREND:** Consumers believe the success of healthcare reform is dependent on achieving cost reduction and quality improvement — two things that traditionally stand in opposition to each other, especially at a time when funding for government programs is in jeopardy.

Dr. Paul Keckley



The majority of U.S. consumers have mixed feelings about healthcare reform. In a recent survey by the Deloitte Center for Health Solutions, almost half of respondents express optimism about reform overall and belief that it will increase access to insurance and medical treatment, although they are less optimistic about reform leading to significant cost reductions. Roughly 8 in 10 respondents say they believe the success of healthcare reform is based upon achieving cost reduction and quality improvement.

Deloitte notes in its issue brief, *The Public View of Health Care Reform*, that while structural changes and high-level innovations in healthcare continue to be elevated to national policy issues, many Affordable Care Act provisions hinge upon a more informed and involved consumer.

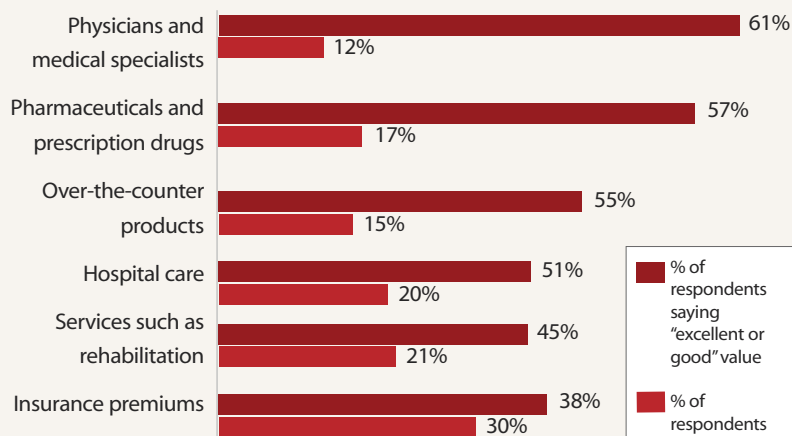
“Despite the prominence of healthcare issues in the public consciousness, consumers remain largely confused about the system and disappointed with its performance,” explains Paul Keckley, Ph.D., executive director of the Deloitte Center for Health Solutions and co-author of the issue brief.

According to the issue brief, rising healthcare costs coupled with the state of the economy are of growing concern to consumers, prompting many to alter household spending, delay care, and worry about their ability to pay for future medical costs. About 75% of respondents say the recent economic slowdown has had some impact on how much they are willing to spend on healthcare services and products, and 63% feel their monthly healthcare spending places some degree of limitation on their household’s ability to spend money on other essentials, such as housing, groceries, fuel, and education.

Consumers still give comparatively high marks when measuring the value of their out-of-pocket spending on doctors and other healthcare professionals, as well as their prescription drugs and over-the-counter products. But only 38% of respondents believe healthcare reform will have a positive impact on reducing the cost of prescription and over-the-counter drugs.

For more information, visit [deloitte.com/centerforhealthsolutions](http://deloitte.com/centerforhealthsolutions).

### PERCEIVED VALUE OF OUT-OF-POCKET SPENDING ON VARIOUS HEALTH CARE PRODUCTS AND SERVICES



Note: Base for each percentage includes only respondents who spent money in the area.

Source: Deloitte Center for Health Solutions, *The Public View of Health Care Reform*. For more information, visit [deloitte.com/centerforhealthsolutions](http://deloitte.com/centerforhealthsolutions).

## European Stem Cell Market

### REMAINS LARGELY UNTAPPED

A high number of unmet needs associated with chronic diseases, as well as the aging population in Europe, have put pressure on the healthcare budget to create a strong demand for innovative cures. According to Frost & Sullivan, the nascent area of stem cell therapy has the most potential in the field of regenerative medicine, and is likely to experience widespread application by early-to-mid 2017.

In its recent report, Stem Cell Therapy Market in Europe, Frost & Sullivan notes that the high market potential for stem cell therapies has resulted in the forging of strategic partnerships between large pharmaceutical companies and stem cell research-based companies and universities. Pharmaceutical companies are also keen to examine various methods of exploring the use of stem cells in the drug discovery process, which will accelerate the discovery of novel drug molecules.

But out of all the emerging small-to-medium enterprise companies within the European pharma/biotech sector, Frost & Sullivan estimates only 8% are dedicated to advanced therapy medicine products. This proves that the market is still very much untapped, and there is immense potential for companies focusing on stem cell-based therapy development, the report says.

▼ For more information, visit [frost.com](http://frost.com).

## Other market insights...

### Drug Delivery

#### RESEARCH

There has been a vast amount of research and development into next-generation oral drug delivery methods, driven by the importance from both a clinician and patient acceptance point of view of reducing rates of noncompliance attributed to poor taste, difficulty in administration or swallowing, and inconvenience of multiple doses per day.

According to the Business Insights report, Drug Delivery Innovations Driving Improved Patient Compliance, the transdermal administration route is attracting the most attention out of all parenteral delivery system modifications. Across all parenteral delivery forms, the continued increase in the number of experimental protein and peptide drug candidates means that there is a high level of unmet need for delivery systems for these types of drugs.

▼ For more information, visit [businessinsights.com](http://businessinsights.com).

## PHARMA COMPANY STEM CELL ALLIANCES

Pharma company	Deals, joint ventures, and subsidiary companies
<b>PFIZER INC.</b>	Purchase of Axordia Ltd. subsidiary from U.K.-based Intercytex Group for \$750,000 Deal with Athersys to develop and market MultiStem for treatment of inflammatory bowel disease.
<b>NOVARTIS AG</b>	\$5.1 million invested by Novartis Venture Funds in Cellerix S.A. for expanded adult stem cells derived from adipose tissue technology
<b>ROCHE</b>	Agreement with UCLA stem cell and cancer researchers
<b>GLAXOSMITHKLINE PLC</b>	\$16 million investment in Italian Fondazione Telethon and Fondazione San Raffaele for the cure of bubble baby disease
<b>SANOFI</b>	\$4 million, three-year deal with Epistem Strategic alliance with Salk Institute for Biological Studies
<b>ASTRAZENECA</b>	Collaboration with Joslin Diabetes Center to focus on treatment of type 2 diabetes Working with UCLA regarding a regenerative medicine approach to treat diabetes-related vision impairment

Source: Frost & Sullivan, Stem Cell Therapy Market in Europe. For more information, visit [frost.com](http://frost.com).

## Contract Manufacturing

### GROWTH

Global contract manufacturing revenues are projected to reach \$64.07 billion in 2016, according to Visiongain's report, Pharmaceutical Contract Manufacturing: World Market Outlook 2011-2021. Manufacturing of finished dosage forms will drive revenue growth, with the market expected to achieve a compound annual growth rate (CAGR) of 8.7% between 2010 and 2016, and revenues for the sector are expected to more than double from 2011 to 2021.

▼ For more information, visit [visiongain.com](http://visiongain.com).

## Technical Advances

### DRIVE RADIOPHARMACEUTICALS

Technical advancement in production and diagnostic equipments (SPECT and PET) and discovery of new radiopharmaceutical have driven the global market for radiopharmaceuticals.

According to the MarketsandMarkets report, Radiopharmaceuticals Therapy and PET/SPECT Imaging — A Global Scenario (2010-2015), the global radiopharmaceuticals market was valued at about \$3.21 billion in 2010 and is expected to exceed

\$4.73 billion by 2015, for a CAGR of 8.1%. The PET and SPECT diagnosis accounted for the largest share — 90% — of the global radiopharmaceutical market.

▼ For more information, visit [marketsandmarkets.com](http://marketsandmarkets.com).

## Molecular Imaging Market

### MATURES

The early vision for molecular imaging (MI) was that it would revolutionize clinical diagnostics and pharmaceutical research, allowing disease to be explored and identified with greater accuracy and long before physical symptoms were experienced.

But until recently, the economic recession and technical challenges have taken their toll on the speed at which that vision has become reality, according to the Espicom Healthcare Intelligence report, Molecular Imaging: A Market Coming of Age.

While for many years MI delivered more promise than profits, new products and applications and increasing clinical/health payer acceptance will likely see the market accelerate in the medium term to achieve global sales of \$6 billion by 2015, the Espicom report predicts.

▼ For more information, visit [espicom.com](http://espicom.com). 