

Overview

In the United States, clinical laboratory procedures are performed in approximately 14,000 laboratories. Of these, roughly 75% are located within hospitals and the remaining 25% are commercial.

In the last few years, there has been a dramatic increase in the sales volume of products used in clinical laboratory testing. In 1976, the total U.S. sales volume for all laboratory products was \$1.34 billion. In 1978, this figure increased to \$2.25 billion, an increase of 68% over 1976. Market analysts believe that the market for these products will continue to expand significantly.

Most of the increase in the sales volume of clinical laboratory products is due to the recent growth in the number of laboratory procedures performed. This, in turn, is due primarily to two factors. The first factor is the tendency for physicians to order an increased number of diagnostic procedures per patient because of a growing fear of malpractice suits. This phenomenon is referred to as "defensive medicine" and is expected to continue until the current structure of malpractice insurance is changed.

The second factor leading to the rapid increase in laboratory procedures is the increasing sophistication of clinical laboratory instrumentation. If a lab has a sophisticated piece of equipment, it will tend to use the equipment whenever possible, resulting in an increased volume of procedures.