

UNITED STATES

OVERVIEW B: HOME HEALTHCARE MEDICAL DEVICES

Market Assessment

The home healthcare industry in the U.S. began in the 1970s, in response to increased demand for health services and rising institutional healthcare costs. In 1989, Americans spent in excess of US\$15 billion on home care and related services; the industry is expected to grow as much as 15 to 20 per cent annually until the end of the decade.

The following trends support the growth of the home healthcare industry:

- By the year 2000, Americans aged 65 and over will comprise 13 per cent of the total population. Traditionally, the elderly account for 2 or 3 times the average per capita share of healthcare expenses.
- Healthcare cost containment pressures from both government and private payers.
- The increase in two-income families will lessen the availability of family members to care for the ailing.
- Strong acceptance of home healthcare by patients (who sometimes recuperate faster in a familiar environment), physicians and payers. It is estimated that a total of 5 million people, both institutionalized and non-institutionalized, require assistance with such daily activities as eating, toileting, dressing, and bathing.
- Technological advancements such as implanted devices which lower the risk of infection, and portable drug dispensers.

The home healthcare industry is divided into the in-home patient care product market and the outpatient care facility market. In the former, the customer buys/rents the required medical product from a retail outlet. The latter is an institutional market which provides a service to a patient on an outpatient basis.