The International Andreas Grüntzig Society Meeting holds a very special place in interventional cardiology. When Richard Myler opened the meeting, he eloquently conveyed his very personal feelings towards Andreas. This meeting is unique because it is so personal, just as Andreas would have wanted. Speaking for USCI, I must say that it was the courage, vision and leadership of Andreas Grüntzig that motivated a small group of leaders to invest in a new technology that most conventional thinkers thought would never work.

The ongoing change in the healthcare environment will certainly have an impact on each individual. While managed care is certainly going to put constraints on the system, it is vitally important that the goal of the business continues to be making patients' lives better. Manufacturers must continually strive to work with physicians to help them achieve their clinical and professional goals.

Health Care Reform has caused dramatic changes in the field of interventional cardiology. The most significant change is one of consolidation of hospitals, medical device manufacturers and even HMO's. It seems everyone is trying to shift the balance of power in their direction by becoming larger and larger.

Looking towards the future, the following marketing dynamics are likely to affect interventional cardiology over the next five years.

- Device interventions will continue to increase at 6–8%.
- Prices will continue to erode, albeit at a slower rate.
- New technologies will capture 60% of interventions.
- The top 300 hospitals in the U.S. will control 75% of procedures.
- More than 50% of cardiovascular patients will be fully capitated.
- "Outpatient" interventions will predominate.

Interventional cardiology procedures should continue to grow at rates faster than the population growth. By the year 2000, there will be more than 100 million people in the U.S. over the age of 45, an increase of 15 million people from today. Since 5 of the top 10 reasons for hospitalization of the elderly are related to cardiovascular disease, this increased patient pool will fuel continued growth in interventional procedures. In 1995, there were more than 500,000 interventional procedures in the U.S. We expect these procedures to increase to 650,000 by the year 2000.

The growth of interventional cardiology has been nothing short of phenomenal. In 1980, there were about 200,000 cardiovascular procedures performed, with less than 10% being angioplasty. Last year, angioplasties in the U.S. exceeded CABG and by the year 2000, percutaneous intervention should account for two-thirds of all cardiovascular procedures.

More aggressive intervention is practiced in the United States than anywhere else in the world, with more than twice as many procedures per 10,000 patients in the U.S. than in Canada and France and five-fold more procedures than in
Japan. With the ever rising cost of health care in the United States, the question for the future is whether or not the number of procedures in the U.S. will converge with other countries that have lower rates of intervention.

The shift in the Health Care Delivery Paradigm is quite prominent amongst members of the health care industry. In the 1980’s, the Health Insurers bore all the risk. Manufacturers passed along price increases annually and in hospitals, volume equalled profit. While the focus for manufacturers was on managing illness, this “fee for service” approach resulted in a system with 14% of the nation’s GNP coming from healthcare; the highest in the world.

In the current era of managed care, there is a complete role reversal. Providers are now bearing all the risk and volume can mean losses in a capitated environment. The focus of health care delivery has shifted to management of the overall health status of the patient rather than the treatment of illness. Managed care is the delivery of comprehensive, cost-effective health care through a system that influences the utilization of services, the cost of service and monitors and measures performance.

To survive in a managed care environment, hospitals and interventionalists must move from a defensive to a proactive position requiring management of capitated risk and knowledge of outcomes. Physicians and hospitals must become aligned in their incentives as their reimbursement pool will become one.

Under managed care, device manufacturers will be impacted in two ways. First, there will be an increase in capitated contracts. Manufacturers must be able to supply all the products used in an interventional procedure and know the utilization per procedure. Secondly, manufacturers must focus on products which improve cost-effectiveness and/or outcomes. They must be able to demonstrate “proof” of effectiveness relative to alternative therapies or products.

I believe we will see a decrease in the number of hospitals doing interventions. In the U.S. today, there are approximately 1,100 hospitals with interventional cardiology programs. By the year 2000, this number should decrease to 900. More importantly, the top 300 hospitals, which currently perform about 60% of all procedures, will be doing more than 75% of procedures by the year 2000. In a capitated environment, there is also an oversupply of specialists. There are currently 30 cardiologists per 500,000 patients. Under a fully capitated system it is estimated that only 13 will be required, an oversupply of more than 50%.

We can also expect continued reductions in the reimbursement for cardcatherization and angioplasty. The Health Care Financing Agency has targeted six procedures for continual review and these two are at the top of the list.

What does this mean for us in the year 2000? I believe there are three things that we can count on in the future:

• The cardiovascular market will continue to grow in dollars and procedures. The focus will shift toward outpatient procedures for percutaneous interventions and least invasive CABG surgery whether it be MIDCAB or TMR.
• Outcomes, economics and patient satisfaction will determine utilization of multi-model percutaneous techniques versus less invasive cardiac surgery as therapy of choice.
• Prevention will noticeably impact the market beyond 2000.

Looking toward the future, there are a number of things an interventional cardiologist can do to succeed in the new environment.

• Reduce costs without cutting quality.
• Align economic incentives with hospitals and share risks and rewards.
• Develop fully integrated health care systems.

Medical Device Manufacturers will also have to adjust to the new health care environment. Key strategies for survival include:

• Reducing costs without cutting quality.
• Achieve technological leadership in emerging market segments.
• Establish partnerships with customers, vendors and other device companies.
• Provide value added services.
• Share economical risks and rewards with hospitals and physicians.