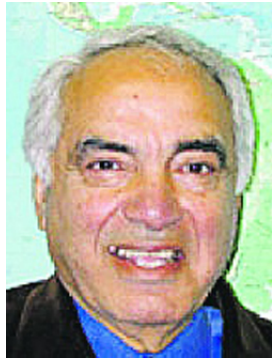


Published January 16th, 2013

Complex Medical Technology and Health Care Reform Issues Discussed at LOPC

By Lou Fancher



Dr. Ahmad Ghoreishi Photo provided

a "lab on a chip" that tests blood and sends the results to a doctor.

"We talk about the cost of healthcare, but little is discussed about the rewards and the benefits," he said, suggesting a more balanced dialogue is needed.

Driving Forces

One of the primary drivers increasing healthcare concerns is an aging population, not just in the United States, but globally. With 20 percent of our GDP invested in health care, our country tops the list and despite government's increasing investment over the last 40 years, trouble spots exist.

A graphic map of the U.S. showed California in a hot yellow shade; indicating a state where high costs result in people forgoing care.

Costs

"Chronic diseases are 70 percent of the health spending as of 2007. And oral health is the number one money grabber," Loarie declared, sounding amazed by his own statistics.

With congestive heart failure, diabetes, depression and a list of long-term illnesses filling out the top of his chart, Loarie said recent legislative action means cuts will be made by hospitals. The money will not come out of doctors' pockets, he promised, but from reductions or changes in the medical products hospitals purchase.

"This has tremendous implications," he warned.

Off-Shoring

Loarie loaded responsibility for a congested product development pipeline and the flight of med tech companies to foreign countries squarely in the lap of the U.S. Food and Drug Administration.

"We have transferred a body of knowledge outside of the U.S. because of what is going on in Washington," he claimed.

By forcing drug testing clinical trial processes on an engineering-based industry, Loarie said FDA regulations pushed him to think, "If the US government wants to stop me, I can't do it here. But I have to do it somewhere."

Increasingly, "somewhere" means China, a country that has declared its intention to be the world leader in medicine by 2020, or India, where medical tourism is flourishing and product development is rapid and economical.

"China doesn't need the latest and greatest devices. Heart valves are now off patent and they'll be coming back to the U.S. with lower cost devices in just a few years. India has a hand held ultrasound device created using frugal innovation. These things will find their way into the health care market as good, less expensive solutions.

Back at Home

Hospital mergers, "value committees" instead of doctors or clinicians making decisions about care, concierge services and retail pharmacies expanding into health care clinics are on Loarie's what-to-expect list.

"Our world leadership will erode," he predicted. "Capital venture funds are depressed or have disappeared in the last four years. The 'FDA creep' means I have to spend six million dollars to get ready for an IPO. I could find a cure for cancer, market it, and no one would invest. Health reform is a wild card."

Questions and Answers

At the Jan. 4 First Friday Forum lecture in the Lafayette-Orinda Presbyterian Church sanctuary, life science start-up expert and innovator Thomas Loarie paraded through the quagmire of advancing medical technology and health care reform.

Acknowledging the complexity of his subject, the Mercator MedSystems, Inc. executive chairman said he had a "gift" for working with young doctors to develop breakthrough tools.

Forty years of experience and 20 medical devices on the market lent credence to his claim. In an industry where only 80 percent of start-up companies survive and a high percentage of those are referred to as "the walking wounded," Thomas described his work as "a roller coaster ride."

New Products

Sparking interest in the approximately 100 people in attendance, Loarie introduced three products his companies are developing: an implantable catheter that delivers medicine directly to the site of disease; an e-system for tracking and managing timely consumption of medicine; and

Expectedly, audience concerns centered on costs and mortality rates. With increasing costs and lower life expectancies running cross patterns on many of Loarie's graphics, several people asked for an explanation.

"What we spend on the first year and the last six months of life-we do heroic things and no other country does that, so there's a spike there," Loarie said.

Hospitals contribute to the problem, with specialization meaning little flexibility in approach and extreme measures taken where the chance of survival is low.

Chronic diseases, patients not taking medicine on time, and social problems like poverty and gang violence all push mortality rates-and medical bills-to astronomical levels. Litigation has not only increased costs, according to Loarie, but has stalled or eliminated product innovations.

"It's not just the lawsuit, it's the potential for litigation that limits a product," he said.

Ending his presentation, Loarie said closed systems, where doctors are not paid according to the number of procedures they do and services are centrally located, are the best hope for the future of health care delivery.

Future First Friday Forum Lectures at LOPC

Dr. Ahmad Ghoreishi will speak about U.S./Iran relations - past, present, and future - at 1:30 p.m. Friday, Feb. 1 in the Sanctuary; refreshments begin at 1 p.m. in the Fellowship Hall.

Additional monthly speakers include:

Matt Walker, Secrets of the Sleeping Brain (March 1);

Victor Gauthier, Update on the New Bay Bridge (April 5);

Lynn Joiner, Changing China: A 35 Year Perspective (May 3); and

Daniel Kammen, Green Energy = Money (June 7).

All lectures are free and open to the public.

Reach the reporter at: info@lamorindaweekly.com

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