Use Of Acetaminophen Increases Risk Of Kidney Failure

Little Effect On Burgeoning U.S. Kidney Dialysis Market

February 1997/New York, NY — Even taking an average of one acetaminophen pill daily over a period of a year doubles a person's risk of kidney failure, according to The Kidney Dialysis Market, a timely new report from the New York City-based consulting and research firm, FIND/SVP. The study suggests that limiting use of the pain killer could lower incidence of end stage renal disease (ESRD) approximately 11%. FIND/SVP reports, however, that this lower level of ESRD should have little effect overall on growth of the market for kidney dialysis products and services; demographic and healthcare trends support continued strong gains in that market. The U.S. kidney dialysis industry saw sales of $8.6 billion in 1996, and double-digit growth is expected to continue through the year 2000.

Aging Baby Boomers And Emerging Markets Support Industry

The U.S. market for kidney dialysis products and services is flourishing, due in no small measure to the graying of the ever-scrutinized baby boom segment of the population. As with many illness and disorders, incidence of ESRD — the stage of renal disease when kidneys are determined to be capable of only 10% of normal function — rises markedly with age. FIND/SVP’s study estimates that the population needing dialysis is increasing annually by almost 10%.

Worldwide, excellent growth of dialysis products and services is expected to continue in Asia and other emerging markets as the economies of developing nations become stronger and healthcare options for citizens improve. The worldwide kidney dialysis market was estimated at $27.6 billion in 1996, with future growth estimated to parallel that of America.

In-Home Dialysis Increasing

The kidney dialysis industry is made up of services and products used in two forms of treatment for ESRD — hemodialysis and peritoneal dialysis. The market also includes sales of erythropoietin (EPO), a pharmaceutical product used to alleviate anemia in dialysis patients. Renal transplantation, a third treatment for ESRD, is not included in the FIND/SVP study.

— more —
Hemodialysis is the most frequently used treatment for ESRD patients in the U.S. and is generally provided in dialysis centers, rather than at home.

Peritoneal dialysis, which can be done at home by the patient, makes up about 37% of the total dialysis market and is the fastest growing of the two dialysis categories, according to the market study. Worldwide, peritoneal dialysis growth is even stronger especially in countries such as Australia, New Zealand, Canada and the United Kingdom, where there is established government support for the most cost-effective therapies. FIND/SVP reports that peritoneal dialysis usage in these countries is almost double that of usage in the U.S.

Medicare The Primary Source Of Funding In U.S.

The study describes a highly competitive U.S. market in which a greatly increased need for dialysis products and services has put enormous pressure on Medicare — the chief source of treatment reimbursement — to reduce costs for ESRD therapies. Medicare has set low reimbursement rates which are unlikely to change.

A Climate Of Consolidation And Skyrocketing Bids

With treatment pricing stagnant, cost efficiency has become essential to kidney dialysis service providers and product manufacturers. Industry consolidation — providing economies of scale in administration and operations and established, cost-effective manufacture and distribution — has become a necessity for companies hoping to raise profit margins and retain market share.

There are an estimated 2,670 centers in operation providing dialysis services. Hemodialysis centers are located in hospital out-patient centers, are part of national chains, or are independently-owned, generally by physicians. At present, market share is equally divided amongst these three groups; however FIND/SVP predicts that 70% of all dialysis centers will be owned by national chains by the year 2000, due to consolidations presently sweeping the market. The remaining facilities are the targets of aggressive acquisition strategies by all leading national chain providers. Competition has led to astronomical prices, often reaching eight times the target centers' revenues.

The 160+ page report, The Kidney Dialysis Market, is priced at $2,500 and is available from FIND/SVP 625 Avenue of the Americas, New York, NY 10011. To order, call 1-800-346-3787. Visit our Web site to see the table of contents for this report and thousands of others: http://www.findsvp.com/

####

Note to Editors: An executive summary of the report is available to the press. To receive it, or learn more, contact Scott Dempster of FIND/SVP at (212) 807-2637.

Founded in 1969, FIND/SVP, Inc. is a worldwide research, advisory and business intelligence firm. A publicly held company (NASDAQ: FSVP), FIND/SVP operates five service divisions: the Quick Consulting & Research service, the Strategic Research Division, the Customer Satisfaction Strategies Division, the Emerging Technologies Research Group, and FIND/SVP Research Publications.