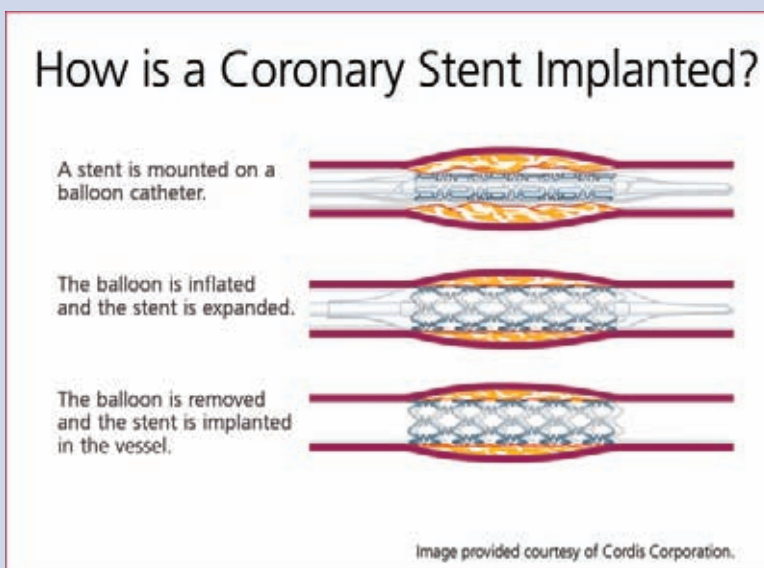




New Drug-Coated Stents Outperform Old Devices

Recent studies have shown that drug-coated stents used to open clogged arteries outperform bare-metal stents. There are currently two drug-coated models on the market – the Cypher by Johnson and Johnson, and the Taxus by Boston Scientific. Medtronic Inc. is racing to introduce its own version of the drug-coated stent, Endeavor, to the marketplace. Endeavor has been approved for sale in Europe, and is seeking approval in the U.S.

The competing heart stents are coated with drugs designed to keep scar tissue from causing a new blockage at the site of a repair. Doctors use the tiny mesh tubes to clear obstructions that may lead to heart attacks. A drug-coated stent typically costs about \$2,000, and patients who receive the stents also require a clot-preventing drug called Plavix for several months after the procedure, which can mean even higher costs for patients. However, in the data gathered so far, the drug-eluting stent has been extremely successful in reducing restenosis from the 20-30% range to single digits. The specter (and expense) of repeat procedures will likely be reduced, helping to decrease and/or eliminate long-term treatment costs.



Source: *Two Drug-Coated Stents Perform Equally Well, Forbes, 2/21/06; Study Boosts J&J's Stents, TwinCities.com, 3/21/06*



Lower Healthcare Costs May Lie With FDA

The U.S. Food and Drug Administration, which regulates pharmaceuticals, has a backlog of requests for approvals of generic drugs that, if approved, could offer financial relief to the consumers of American healthcare.

Over the next 10 years, dozens of patents for name-brand prescription drugs will expire, allowing generic drugs to enter the marketplace at a savings to patients. The drug Zocor, for example, which helps patients control their cholesterol, will compete with a generic version beginning this summer, and experts predict that the drop in price could eventually be 10-50%.

Some consumer advocates, however, worry that the sometimes slow pace of FDA approvals could make the wait for competitive pricing unnecessarily long. The FDA currently has a backlog of 800 applications for generics and predicts even more new submissions this year. To address concerns about the timeframe of its review process, an FDA official recently proposed that generic firms pay user fees to the agency much like brand-name companies do now. The fees would be used to hire more reviewers with the goal of speeding the approval process.

Source: *FDA backlogs delay remedy for high prices, by Glenn Singer, South Florida Sun-Sentinel*