

Older, heavier Americans fuel \$4 bil. knee replacement market

By John Tozzi, BloombergBusiness

Americans are getting older, and heavier—and both trends are trouble for the country's knees.

The rate of total knee replacements almost doubled between 2000 and 2010 for Americans over 45, according to data from the Centers for Disease Control, while the average age of patients decreased by more than two years, to 66.2. The elective surgeries, which replace worn-out cartilage and bone with metal and plastic mechanical joints, became the most common inpatient hospital procedure for people over 45 in 2008. Almost 700,000 were performed in 2010.

The annual market for knee implants is roughly \$4 billion in the U.S., according to estimates compiled by Bloomberg Intelligence analyst Jason McGorman. The cost of the surgery can vary wildly depending on the region or hospital. On average, it's increased to about \$16,600 in 2012, from \$13,900 in 2000, in inflation-adjusted dollars, according to CDC data. Though there are risks with any surgery, including possible infections or implant failures, knee replacements are considered a highly cost-effective intervention, McGorman says, because they can allow people to continue to work and avoid disability or other expensive care.

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