

# Sleep Labs in America: An Industry Analysis

(April 2018)

## Table of Contents

	<u>Page</u>
<b><u>Introduction: Study Scope &amp; Methodology</u></b>	<b>4-8</b>
<ul style="list-style-type: none"><li>- Glossary of sleep disorder terms</li><li>- List of major private &amp; public sector information source used</li></ul>	
<b><u>Executive Overview of Major Findings</u></b>	<b>9-30</b>
<ul style="list-style-type: none"><li>- Market definition and scope: mkt. segments included</li><li>- Scope of <b>sleep deprivation in America</b>: prevalence rates of insomnia, causes, no. of sleep disorders, description of most common sleep disorders, NSF vs. other polls.</li><li>- Nature of the field of sleep medicine and somnology: history/evolution of <b>sleep labs</b>, number, multiple-site chains, mkt. size 1997-2023 F</li><li>- Why drug companies play a major role in publicizing sleep disorders and creating demand for Rx <b>sleeping pills</b>, mkt. size 1997-2023 F</li><li>- Size and nature of the <b>mattress &amp; pillows</b> market, new technologies, mkt size</li><li>- <u>Obstructive sleep apnea</u> market: why <b>CPAP device</b> potential is huge and largely untapped, mkt. size 1997-2023 F</li><li>- <b>Major Market Trends</b>: discussion of... sleep lab reimbursement and consolidation, home test market, decline of Rx sleep medications mkt. due to generics, growth of OTC meds, mattress mkt. technology and distribution disruptions.</li><li>- Market Size &amp; Growth, Market Segments: Total mkt. value, effect of recessions, 2007 performance, 2018 &amp; 2023 forecasts</li></ul>	
<u>Tables:</u>	
<ul style="list-style-type: none"><li>- Total size of U.S. sleep market, by mkt. segment: 1995-2023 F, annual percent change</li><li>- Mattresses market: 1995-2023 F</li><li>- Pillows market: 1995-2023 F</li><li>- Sleep Labs/centers: 1995-2023 F</li><li>- Rx and OTC sleeping medications market: 1995-2023 F</li><li>- CPAP devices market: 1995-2023 F</li></ul>	

## **The Sleep Labs Industry** **31-80**

### **Summary: Industry Nature & Structure** **31-41**

- What are sleep labs, how many?, evolution & nature of the field, polysomnograms test description, accredited vs. non-accredited centers
- Launching a new sleep lab – the process/key considerations, capital needed, choices for hospital or MD affiliations
- The effect of Medicare approval of home tests: discussion, type of devices
- What patients can expect at a sleep lab: type tests (PSGs, split night studies, MSLTs, CPAP titrations), role of sleep techs, follow-up
- How to find A sleep lab

### **Industry Size & Growth Outlook, Forecasts** **42-48**

- 1995-2016 Estimates, 2018 Forecast, reasons for closures/consolidation, reimbursement issues, major problems labs face, long-term outlook.
- 2014-2018 quarterly surveys of sleep lab metrics: patient volume, bed count (Needham & Co.)

#### Tables

- Sleep Labs revenues, no. of labs, annual % change: 1995-2023 F
- National projected sleep study volumes to 2024

### **Sleep Lab Technicians Salary Trends** **49-54**

- Descriptions of the major staff positions, training required (sleep tech, technologists)
- Findings of Sleep Review Magazine’s salary survey, average salary and ranges for: RPSGTs, sleep techs, respiratory therapists, sleep physicians, sleep center directors, supervisors, managers: by tenure, by day/night shift, by age (2015 vs. 2007)

#### Table

- Salary by job title, by region: - 6 staff positions.

#### Sleep Lab Operating Metrics:

### **Results of Past Marketdata U.S. Sleep Labs Survey** **55-69**

- Type of sleep lab (percent of total: hospital-based, practice-based, university-based, independent / free-standing)
- Average number of PSGs (sleep studies, CPAP titrations and MSLTs) performed in 2006, 2007
- Average number of beds operated and average days/nights per week operated
- **Number of patients** the sleep lab would be able to test/titrate per week if operating at 100% occupancy, 7 days/nights per week (average)
- List of Sleep centers’ **biggest issues** or problems

- Expected effect of March 14 decision by CMS to provide Medicare reimbursement for home sleep studies using portable devices to have on their lab's future
- **Average fees** a sleep lab charges for: PSG sleep study, CPAP titration study, MSLT
- **Reimbursement** – avg. amount a sleep lab receives for: PSG sleep study, CPAP titration study, MSLT
- Percentage of a sleep lab's total sleep diagnostic revenue that comes from: commercial insurance, Medicare/Medicaid, patients
- **Average sleep lab's diagnostic revenues in 2007**
- Whether sleep labs have an affiliated company that provides PAP set-ups for their patients and generates sleep therapy revenues, number of PAP set-ups performed in: 2006, 2007
- **Whether economic recessions affect a sleep lab's business?**
- Percentage of a sleep lab's patient base that is male vs. female
- Age of a sleep lab's most typical patient (% by age class)
- The contributing factors to a sleep lab patients' sleep disorders (% by type: obesity, large neck size, nasal/airway obstructions, etc.)
- Percentage of sleep labs that treat these disorders: sleep apnea, insomnia, restless leg syndrome, narcolepsy, periodic limb movement
- Whether sleep labs collect outcome data

#### Competitor Profiles – The Major Sleep Lab Chains

**70-75**

(description and history of company, no. of labs operated, address, specialties, acquisitions, services, financials when available)

- **SleepMed, Inc.**
- **Sleep Holdings**
- **Foundation Surgery Affiliates, LLC**
- **Novasom**
- **Nocturna Sleep Center**

#### Reference Directory of Sleep-related Trade Groups, Experts, Journals

**76-80**

- List of sleep market national/regional trade associations, journals, consulting firms, brokerage analysts, other key contacts – address & phones, description of activities.
- Profiles of Michael J. Breus, Ph.D. and Duane M. Johnson, Ph.D.

