



## **Case Study: Medical Device Pricing Study**

### **Client**

A niche medical device company developing a new device for administering transcranial magnetic stimulation (TMS).

### **Objective**

Develop a pricing strategy and rationale for the TMS device and the related software.

### **Methodology**

The study was conducted in two phases. In phase I, Medspan interviewed twenty-five psychiatrists and payers to identify key reimbursement challenges and approaches to coverage while awaiting assignment of CPT I code. In Phase II, Medspan conducted 18 in-person one-on-one interviews with psychiatrists and 15 patients suffering from depression to test the pricing strategy resulting from Phase I.

### **Value Delivered**

Almost all psychiatrists have a positive impression of TMS. Medspan developed a pricing strategy for purchasing TMS equipment and software based on a targeted annual profitability for psychiatrists before and after coverage. We also presented a strategy for leasing the equipment and software.

Medspan developed strategies and tactics for penetrating key payers quickly and for our client to provide assistance to individual patients when appealing a decline in coverage.