

“ What we’re doing right now
is creating patient awareness ”

Not stuck in the past

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Scotts Valley
firm markets
blood-drawing
technology

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SCOTTS VALLEY — For more than 8 million Americans with diabetes, the thought of drawing blood every day from their sensitive fingertips is a touchy subject.

Enter AmiraMedical, one of Scotts Valley's newest manufacturing companies and the first in line with a new pain-free blood-drawing technology.

In the high-speed race to capture a piece of the lucrative glucose-monitoring market, Amira's AtLast blood glucose system leaves fingers alone. It allows diabetics to use a one-piece, handheld device about the size of a calculator to draw blood from a less sensitive part of the body like an arm or leg.

It is “landmark technology,” according to Nancy Bohannon, a San Francisco endocrinologist who participated in some of the clinical trials during product development.

“It is in a whole class in itself,” Bohannon marveled. The device's convenience allows patients to keep better track of glucose levels, she said.

Diabetes is the fourth-leading cause of death in the United States, taking the lives of 385,000 Americans annually, according to market research group Frost & Sullivan.

Studies show, however, that only about half the estimated number of diabetics have been diagnosed. Another 8 million people, mostly without health coverage, are walking around with diabetes and don't know it, said Bill Fagan, an Amira spokesman.

Karen Drexler, Amira president and chief executive officer, estimated the worldwide market for glucose-testing products at \$3 billion annually, and growing at a rate of about 15 percent a year.

“If we even had a percent of the market, we'd have a \$30 million company,” Drexler said.

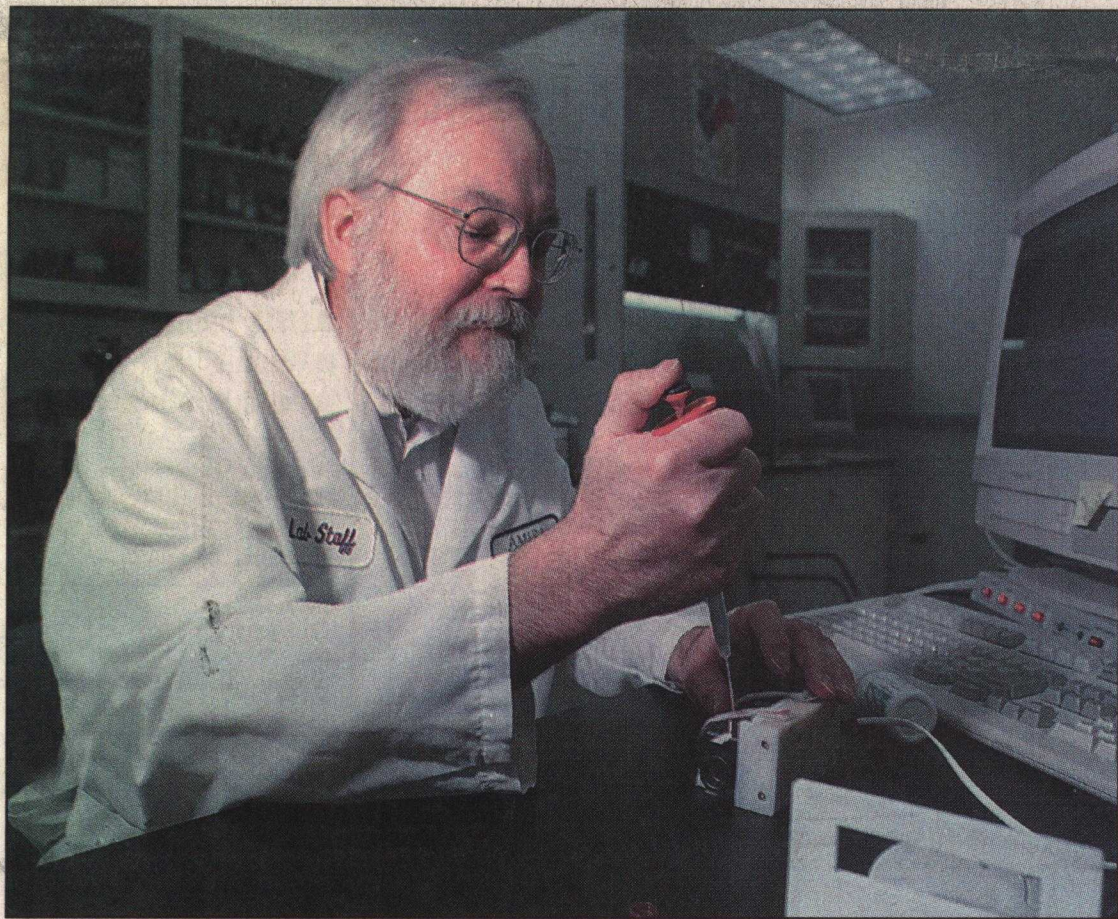
The once-quiet Amira headquarters has drawn national press coverage since the December release of AtLast, its first product. The company employs 150 people and plans to double in size in the next few years, Drexler said.

At trade shows last year, Amira's

Bill Lovejoy/Sentinel photos

Top: AmiraMedical technician Rob Salsibury uses the Scott Valley firm's blood-drawing device to check Pauline Herber's blood-sugar level.

Left: John Gleisner, who helped develop the pain-free device, tinkers with the technology in AmiraMedical's labs



Point

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booth drew crowds.

The product, however, has been slow to hit the stores. While available by mail and on the Internet at www.amiramed.com, AtLast will only be available in local drugstores by request in the next month.

"If we were a large company with deep pockets, we could probably do it more quickly," Fagan said. "What we're doing right now is creating patient awareness."

The AtLast System Starter Kit costs about \$63.

Rick Mendosa, a diabetic who lives in Aptos and writes extensively on diabetes, swears the AtLast system is pain-free. "I don't feel it as the slightest prick; I just feel something hitting my skin," he said.

Whether the product will take off, however, remains to be seen. The race for alternate glucose-testing technologies is on, Mendosa said,

and Amira is just one of the companies competing.

"It's a huge business," said David Kliff, a money manager from Chicago who started focusing on diabetes-related investments after being diagnosed with the disease. "Everyone's in the market."

Why?

"There is tons of disposables. There's no cure. You couldn't ask for a better disease," Kliff said.

Diabetics are supposed to check their blood-sugar levels several times a day.

"It's extremely important I know what my levels are," Kliff said.

At a recommended five tests a day, "That's 35 times a week, times 52 weeks. That's a lot of sticking. Your fingers become raw after a while."

Kliff, however, said he has "serious questions" about AtLast.

Results at trade shows last year were uneven, he said. As an in-

vestor, Kliff said he is also wary of the year-long period Amira took to get AtLast to market.

"The word on the street is the diabetics do not like the meter," he said. "It's hard to use. It's cumbersome."

Fagan, however, said the product exhibited at trade shows last year is not the same product on sale now.

"He would be correct," Fagan said of Kliff's critique.

"Obviously now it meets all of our quality-control requirements. The product's been out since December, and we have not had any complaints about that."

The company, Fagan said, has fielded thousands of calls on the product and is focusing on long-term profitability. Amira hopes to release a second diabetes-related product some time next year.

Amira's roots are in Lifescan, a world leader in glucose-testing products that was acquired by

Johnson & Johnson Co. in the '80s.

Jim Wilson, head of Lifescan, co-founded Amira in 1996 in Palo Alto with Drexler and Joel Douglas.

As Amira, they set out to invent an entirely new technology. It was four years in the making.

Since moving to Scotts Valley in 1998, the company has grown to more than 150 people and expects to double in the next few years, according to Drexler.

The question, Drexler said, "Is how quickly can we become more available?"

There already are numerous glucose-testing products on the market. Amira has to make it on the shelves in everyday stores like Long's and Payless.

"Every week we increase the reach of the product and find we can be accessible to more people," Drexler said. "This year is a foundation year for us."