



## OVERVIEW

Alabama is known for its healthcare and biotechnology industries. The state has seven research universities, a highly accomplished contract research organization, a biotechnology research institute, and dozens of life sciences companies. Access to talent, partnerships with higher education and industry, a low cost of living and doing business creates a rich ecosystem for the medical device industry.



## HIGHLIGHTS

- Southern Research and the University of Alabama at Birmingham partnering through the AIMTech project to develop life-changing medical devices.
- Over 600 bioscience companies, including 54 medical device and equipment companies, employ approximately 1,600, according to U.S. Bureau of Labor Statistics data from 2014 Batelle/BIO report.
- Average annual wage for the medical device and equipment industry is \$55,958, according to U.S. Bureau of Labor Statistics data from 2014 Batelle/BIO report.
- Alabama is home to Cummings Research Park, the 2nd largest research and technology park in the U.S.
- \$274 million in NIH funding along with 17 NIH-funded institutions according to Federation of American Societies for Experimental Biology (FASEB) data from [www.report.nih.gov](http://www.report.nih.gov).

**Baxter Incorporated** makes hemodialysis dialyzers, a high-tech blood-filtering product used in kidney dialysis treatment. The facility is located in Opelika.

**BioHorizons**, one of the fastest-growing global implant and biologics companies in the medical device industry, is located in Birmingham. Its portfolio includes dental implants, instruments and biologics products.

**Southern Research (SR)**, a contract research organization with seven FDA-approved drugs on the market and campuses devoted to life science, engineering research and development, is located in Birmingham.

**Steris Corporation** has a global specialty services operation headquartered in Birmingham. In 2014, Steris acquired IMS, a surgical device restoration and consulting company in Birmingham.

**Orchid Orthopedic Solutions** is a world leading medical device contract design and manufacturing company. The facility, located in Arab, manufactures complex surgical and medical instrument assemblies for orthopedic device implant.

**Turner Medical** is an Athens-based precision machining company producing medical instruments and implants for spinal, orthopedic and other medical procedures.



## COMPANY HIGHLIGHTS

Throughout Alabama are concentrations of large and small, new and well-established medical device and related companies.



Since 1968, Atrion has been awarded hundreds of patents for its innovative medical devices. The current portfolio includes a combination of 78 active domestic and foreign patents.

Located in Arab, Atrion Medical product lines provide solutions for a variety of medical markets including cardiovascular, orthopedic, ophthalmic, gynecological, laparoscopic, peripheral, urological, neurological, and anesthesia.



BioHorizons is one of the fastest-growing global implant and biologics companies in the dental implant industry. Its portfolio includes dental implants, instruments and biologics products.

Founded in 1994 through research conducted at the University of Alabama at Birmingham BioHorizons is a medical technology company focused on dental implants, as well as hard and soft tissue regeneration products, for the replacement of missing teeth.

BioHorizons has products in 85 markets around the globe.



Steris is a global leader in infection prevention, contamination control, surgical and critical care technologies. In 2014, Steris acquired IMS, a surgical device restoration and consulting company based in Birmingham and in 2015 located their specialty services operation headquarters in Birmingham.

The company employs 100 in Birmingham and 1,200 nationwide.



Frontier Devices, a division of Folsom Metal Products, is a qualified, FDA registered manufacturer of proprietary medical implant systems. The company specializes in design, manufacturing, and distribution of surgical products for spinal surgery, neurosurgery, orthopedic surgery and other orthopedic related products.

Some of their customers include Medtronic, Stryker, Zimmer, and Wright Medical.



Evonik Industries is a leader in bioresorbable polymer and injectable drug delivery technologies. In 2014, Evonik opened its first U.S. Innovation Center in Birmingham. The Center is focused on medical devices and technology.

Evonik specializes in drug delivery technologies and manufacturing for pharmaceutical, biotechnology, and medical device companies and employs 800 people in Alabama.



Orchid Orthopedic Solutions is a world leading medical device contract design and manufacturing company. Its Alabama facility manufactures complex surgical and medical instrument assemblies for orthopedic device implant.

Located in Arab, the vertically integrated facility practices lean principles to compress lead time and costs. Typical project include joint reconstruction instruments, spinal instruments, external fixation assemblies, and general surgical instruments.



### Cummings Research Park

Home to the 2nd largest research park in the U.S.



Birmingham is a regional hub for health care with **University of Alabama at Birmingham (UAB)**, a leading research university ranked among the top 20 medical institutions in federal research funding.



### Hudson Alpha Institute for Biotechnology

A public-private partnership of more than 20 for-profit companies and non profit researchers located in Huntsville.



## TALENT PRODUCER— GREAT UNIVERSITIES AND COLLEGES

Alabama's higher education system offers new and expanding companies access to excellent workforce training, state-of-the-art technology and innovation at the state's leading engineering and research schools. The Alabama higher education system consists of 31 four-year colleges and universities and 26 two-year community and technical colleges and junior colleges. These education and research assets make Alabama a great place for medical device companies.

### Assets supporting the medical device industry:

- Alabama has seven research universities across the state that have a strong bioscience-related focus.
- Access to partnerships between higher education and the research community create a favorable environment for the medical device industry. AIMTech is an example of this partnership, the joint project between the University of Alabama at Birmingham and Southern Research will be an opportunity to increase the commercialization potential of medical devices.
- The Alabama Innovation Fund provides support to the state's universities and other research institutions to promote commercialization and create economic development opportunities.

### Alabama's Top NIH-funded Research Institutions

- University of Alabama at Birmingham
- Southern Research Institute
- University of South Alabama

Source: National Institutes of Health, NIH Awards by Location & Organization - U.S. FY2014.



Source: Alabama Commission on Higher Education



**NEW AND EXPANDING**

Company	County	Product	Jobs Created	Investment (Millions)
<b>2015</b>				
Turner Medical	Limestone	Medical device products	75	N.A. (Expansion)
Circulogene Theranostics	Jefferson	Liquid biopsy cancer diagnostic	N.A.	N.A. (New)
Elite-Medical LLC	Lauderdale	Medical device products	44	\$6 (New)
<b>2014</b>				
Gambro Renal Products/Baxter Int'l	Lee	Hemodialysis dialyzers	200	\$300 (Expansion)
Steris Corporation	Jefferson	Global specialty services operation	100	\$8 (HQ)
Orchid Orthopedic Solutions Alabama, LLC	Marshall	Surgical and medical instrument mfg.	N.A.	N.A. (Expansion)
Pharmavite	Lee	Vitamin and dietary supplements	54	\$21.6 (Expansion)
Steris Corporation	Montgomery	Hospital equipment	40	N.A. (Expansion)
Elite Medical	Lauderdale	Medical instruments	44	\$6.4 (New)
Evonik Corporation	Jefferson	Global Innovation Center for research & development for specialty chemicals and drug delivery systems	25	\$10 (New)
IntelliGENETICS Lab	Montgomery	Medical testing	10	\$1.2 (New)
<b>2013</b>				
Frontier Devices	Shelby	Medical implant systems manufacturer	5	\$0.25(Expansion)
Integrated Medical Systems International, Inc. (IMS)	Jefferson	Surgical device & consulting company	41	\$9.0 (Expansion)
Mims Management Group	Montgomery	Pharmaceutical management headquarters	50	\$1.7 (Expansion)
Nidek Medical Products Inc.	Jefferson	Oxygen Concentrators	3	\$0.2 (Expansion)
Northeast Pharmaceuticals	Montgomery	Pharmaceuticals	40	\$2 (Expansion)
Pharmavite	Lee	Vitamin and Dietary Supplement s	17	\$16.6 (Expansion)
Qualitest	Madison	Pharmaceutical Preparation Manufacturing	N.A.	\$42.9 (Expansion)
Soluble Therapeutics Inc.	Jefferson	Contract research - protein-based therapeutics	2	\$0.5 (Expansion)
Turner Medical Precision Machining	Limestone	Medical instruments and implants	30	\$5 (Expansion)
University of Alabama at Birmingham and Lakeshore Foundation	Jefferson	Collaborative research program—health promotion and rehabilitation science	36	\$14.3 (Expansion)
<b>2012</b>				
Steris Corporation	Montgomery	Medical equipment	80	\$11 (Expansion)
SiO2 Medical Products	Lee	Drug delivery products	300	\$90 (New)
<b>2011</b>				
Sandvik Medical Solutions	Marshall	Stainless steel surgical instruments	67	N.A. (Expansion)
Turner Medical, Inc.	Limestone	Human body replacement parts and surgical installation tools	40	\$2.9 (Expansion)



## THRIVING BUSINESS CLIMATE

**Alabama offers businesses an attractive taxation environment—one of the nation’s lowest overall tax burdens. In addition, Alabama provides a number of tax incentives designed to assist with a cost-effective start-up and provide continued operational savings.**

### Low Tax Burden

- Corporate income tax rate of 6.5 percent (Individuals taxed at a rate of 5 percent).
- Property Tax Abatements - Abatement of up to 10 years from property taxes levied for non-educational purposes.
- Sales and Use Tax Abatements – Taxes on construction-related transactions and pollution control devices are exempt from sales and use taxes. Mortgage and recording taxes can be abated.

### Income Tax

- Corporations’ income tax based on net taxable income derived only from business conducted within the state determined by applying a four-factor formula of property, payroll, and double-weighted sales to total net income.
- Full deduction for all federal income taxes apportioned to Alabama creating a significantly reduced net effective rate.
- 15-year carry-forward of net operating losses.

**Alabama Jobs Act Incentives (Companies must meet project and new job creation thresholds to qualify for incentives.)**

#### Job Credit:

- Annual cash refund up to 3 percent of the previous year’s gross payroll for up to 10 years.
- For companies employing at least 12 percent veterans, up to an additional 0.5 percent credit is available for the wages of veterans.
- Up to an additional 1 percent job credit is available for companies in targeted counties.

#### Investment Credit:

- Credit of up to 1.5 percent of the qualified capital investment expenses for up to 10 years. Credit can be taken against the Alabama income tax liability and/or utility tax liability.
- Credit is available for up to 15 years for companies selling their output nearby.
- Five-year carry forward, three-year transferability.

C2ER Cost of Living 2015	
City	100% Composite Index
Memphis, TN	84.5
Raleigh, NC	90.5
Huntsville, AL	91.3
Birmingham, AL	91.7
Mobile, AL	91.8
Dayton, OH	92.8
Montgomery, AL	93.4
Columbia, SC	95.1
Nashville, TN	95.3
Jacksonville, FL	99.1

Source: C2ER COL, 2015