

Diabetes Technology, Innovation, and the U.S. Health Insurance System

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Abstract

The flow of funds in the U.S. health care system is crucial both for the provision of services to patients and to encourage innovation that enables long-term improvement of health services. Rising concern about health care costs often includes concerns about inappropriate adoption of costly or unnecessary technology. Many innovations in diabetes technology may involve personal technology, which does not qualify under existing health insurance categories such as “durable medical equipment” or under a currently defined telehealth technology. In such cases, the diabetes technology industry may be developing types of technology that are so innovative they do not have clearly established payment mechanisms in the existing U.S. fee for service health care reimbursement system. This article describes key features of the U.S. health care payment system relevant to developers of new diabetes technologies.

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Abbreviations: (CMS) Centers for Medicare and Medicaid, (DME) durable medical equipment, (HCPCS) Healthcare Common Procedure Coding System

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