

Medtronic and UHC expand preferred insulin pump agreement to 7+ years, following 670G pediatric approval - February 1, 2019

Does not affect Omnipod; only affects new pumps; HCPs can request a different new pump be covered via "Clinical Review Process"; 88% of UHC members are on Medtronic pumps

This morning, UnitedHealthcare posted a Network Bulletin announcing that it has expanded its preferred insulin pump agreement with Medtronic - the 670G is now the "preferred insulin pump for adults and children age 7 and older who are receiving a prescription for a pump for the first time, given the safety, quality and lower cost it offers."

The new coverage policy begins today, expanding on the existing preferred agreement that started [in July 2016](#) for adults (18+years). UHC's 253-word statement (see below) was not accompanied by a press release; the companies proactively reached out to share this update with us.

Patients currently on a non-Medtronic pump will continue to get their supplies covered by UHC (i.e., no forced upgrade). Currently, 88% of UHC members using pumps are on Medtronic.

This preferred agreement does not impact Insulet, who established in-network UHC coverage for Omnipod [last April](#) - a huge win given the impending launch of Dash this quarter in the pharmacy. Dexcom and Abbott CGM are not affected either.

This is a loss for Tandem, though likely a small one by our estimates. As of [2015](#), less than 10% of Tandem pump shipments were through UHC - we assume that is roughly still the case, and this new expansion moves the preferred agreement from 18+ years to 7+ years. Still, this may come as a surprise to Tandem, given hopeful comments [at the Analyst Meeting](#) about Basal-IQ and UHC.

Notably, UHC "will continue to have a clinical review process in place for prescribing physicians and members who feel a non-Medtronic device may be preferred." It's unclear what this appeal process actually entails, though we're glad to see some mechanism is in place. The 670G lacks remote monitoring and a no-calibration CGM, so it won't be a fit for all users. This is a critical time for Tandem to capture customers, as Basal-IQ/G6 (6+ years) is the only other automated option and the very-strong Control-IQ hybrid closed loop is poised [for a summer launch](#).

It's also unclear when this preferred agreement expires - a critical question with potential launches of up to six AID systems in the next ~2 years (Tandem, Bigfoot, Lilly, Tidepool, Insulet, Beta Bionics). UHC told us it will "review new clinical evidence as it becomes available" - showing outcomes similar/better than 670G's pivotal trial will be key. Another approach may be moving to the pharmacy with no/minimal upfront cost, as Insulet has done with Dash.

This expanded agreement is fairly unsurprising following 670G's pediatric approval [last June](#) and the positive one-year UHC/Medtronic data shared [last July](#) (n=6,000+ pumpers): 27% fewer preventable hospital admissions vs. plan participants who were on MDI. At the time, those pumpers were on the 630G and prior pumps, meaning outcomes should look better on the 670G.

There was a strong, visceral patient reaction to this news [in 2016](#) - especially with uncertain futures for Animas and Roche (at the time) and Tandem less stable than it is now. Moving forward, innovation in access will be just as important as product innovation in diabetes technology. But how will access be balanced against the need for robust innovation and a healthy competitive ecosystem?

Close Concerns' Questions

Q: What is the UHC process for appealing to get a non-Medtronic pump? How many adults have used this process since the UHC/Medtronic deal in 2016?

Q: How many type 1s does UHC cover? Will we see preferred pump deals for type 2 diabetes? Will we see preferred CGM deals?

Q: To what extent will this impact Tandem's 2019, especially with fewer pump companies in the US vs. 2016 and more pressure to capture customers before other competitors launch?

Q: Will more pumps move to the pharmacy channel, following Insulet's Dash? How will BD's type 2 patch pump fare in the payer landscape as it aims to launch in pharmacies this year?

MiniMed™ 670G System from Medtronic More Widely Available

The MiniMed™ system from Medtronic is our preferred insulin pump for adults and children age 7 and older who are receiving a prescription for a pump for the first time, given the safety, quality and lower cost it offers.

UnitedHealthcare pediatric patients who are currently using a non-Medtronic pump may remain on that pump in conjunction with the physician's treatment plan. There is no change to coverage for members currently on an insulin pump and receiving supplies. Similarly, there is no change for the use of non-durable insulin pumps such as tubeless pumps. The vast majority of all UnitedHealthcare members using insulin pumps today use a MiniMed™ device from Medtronic.

We will continue to have a clinical review process in place for prescribing physicians and members who feel a non-Medtronic device may be preferred.

The MiniMed™ 670G system from Medtronic is being made more widely available because in 2018 the U.S. Food and Drug Administration approved the device for children ages 7 and up.

We first entered into our preferred agreement with Medtronic in 2016. Our goal is to offer members a better care experience by providing access to advanced diabetes technology and comprehensive support services. We also want to find new ways to place greater focus on quality rather than the volume of care delivered, and to analyze the total cost of care for diabetes management and bring a value-based approach to diabetes care for UnitedHealthcare members.



If you have questions, please call the number on the back of your patient's member ID card.

--by Adam Brown and Kelly Close