

Medtronic Switch2System: aggressive upgrade program for in-warranty Animas, Insulet, Roche, Tandem users to get on MiniMed 630G, first-in-line for 670G - November 10, 2016

Today, we learned the details of Medtronic's Switch2System program, which offers patients on an in-warranty competitive pump - Animas, Insulet, Roche, Tandem - the ability to upgrade to the MiniMed 630G system out of pocket, and thus be first in line to get on the MiniMed 670G hybrid closed loop (launching in the US [in Spring 2017](#)). Insulet users will need to pay \$999 out of pocket (if they send their OmniPod PDM to Medtronic), while Tandem, Animas, and Roche users would pay \$749 out of pocket (if their old pump is sent to Medtronic). Those desiring to move to the 630G must also pay \$511 for the transmitter, bringing the total cash price upgrade to \$1,260-\$1,510. Not sending the old pump in to Medtronic raises the price to \$1,760 total - very expensive, but still far less than the full \$7,899 price tag of the MiniMed 630G. Medtronic is also offering a \$200 transmitter credit for current Dexcom users that want to switch over, meaning an Animas Vibe or t:slim G4 user could pay as low as \$1,060 to get the 630G. The subsequent upgrade from the 630G to the 670G is free if the former is acquired by December 31; otherwise it is another \$299 in 2017. (Medicare, Medicaid, Kaiser, TRICARE, CareCentrix, and distributor partners have exclusions.) Medtronic also finally confirmed with us the details of its Pathway program to go from the MiniMed 530G to the 670G (skipping the interim 630G): \$599 or \$3,100 out of pocket, depending on whether the 530G was purchased after or before May 1, 2016 (including a \$400 trade in credit). What is most ironic about this latter plan is that the majority of Medtronic pumpers (pre-May 1, 2016 buyers) will actually pay more (\$3,100) than non-Medtronic pumpers (see above) to get on the MiniMed 670G - clearly Medtronic is playing very tough competitive ball here. It is positive to see some upgrade path for the new hybrid closed loop, but we do not expect an overwhelming number to take advantage, given the significant upfront cost. We continue to expect the pump business model to change dramatically.

-- by Adam Brown and Kelly Close