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Medicare Payments for Continuous Glucose Monitors and Supplies Exceeded Supplier Costs and Retail Market Prices, Indicating Medicare Can Save At Least Tens of Millions of Dollars in One Year

Why OIG Did This Review

- Continuous glucose monitors (CGMs) are a wearable technology that can help patients manage diabetes by tracking glucose levels every few minutes. Low blood glucose levels can impact an individual's ability to think and function. High levels can damage organs over time.
- Medicare Part B payments for CGMs and supplies rose from $109 million in 2018 to $1.3 billion in 2023.
- This review compared Medicare payments for CGMs and associated supplies to the costs incurred by suppliers and retail prices to assess the potential for Medicare cost savings. Previous OIG work determined that Medicare was paying more than other payors for other types of durable medical equipment, other than CGMs, inflating Medicare's overall expenses and the enrollee copayments.

What OIG Found

Comparing Medicare payments to CGM suppliers' acquisitions costs; their total estimated costs; and, for supplies, retail prices, indicates that there are potential cost savings for Medicare and enrollees.

From July 2022 to June 2023, Medicare payments for CGMs and supplies exceeded suppliers' acquisition costs and suppliers' estimated total costs. Medicare payments for CGMs and supplies exceeded suppliers' acquisition costs by $377 million (or 69 percent) in a year, and their total estimated costs by $70 million (or 8 percent) in one year.

CGM supplies—the most common CGM-related Medicare billing—represent the largest potential number of dollars saved. Medicare payments exceeded suppliers' acquisition costs by $359 million and their total estimated costs by $61 million. Medicare payments for CGM supplies also exceeded retail market prices by $290 million in one year.

Suppliers received $7 million in potential overpayments based on improper coding of CGMs and supplies. Suppliers billed Medicare for CGMs and supplies that have higher payment rates but provided CGMs and supplies that should have had lower payment rates.

What OIG Recommends

1. CMS should pursue reductions to Medicare's payment rates for CGMs and supplies. In July 2025—during the course of this review—CMS issued a proposed rule to use the Competitive Bidding Program and CMS's inherent reasonableness authority for CGMs and supplies. CMS stated in the proposed rule that these actions would reduce Medicare payment rates.
2. CMS should take action to prevent overpayments caused by suppliers' improper use of billing codes for CGMs and supplies to achieve potentially millions of dollars of cost savings for Medicare and enrollees.

CMS concurred with both recommendations.