

Synopsis	Preferred Payment Methods for Innovative Digital Health Services								
<p>This report provides an update on the reimbursement policy trends from the Center for Medicare and Medicaid (CMS) regarding digital health applications and services. It analyzes the status of key Medicare demonstration projects and their impact. The report also examines state-run Medicaid program's stance on emerging digital health technologies.</p>	<p style="text-align: center;"><b>Top-Three Payment Preferences for Digital Health Solutions</b> (Which of the following statements best reflect your view about how you are going to pay for the service you find valuable?)</p> <table border="1"> <caption>Top-Three Payment Preferences for Digital Health Solutions</caption> <thead> <tr> <th>Statement</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>I don't want to pay extra on my healthcare insurance premium or incur out-of-pocket expenses</td> <td>34%</td> </tr> <tr> <td>I prefer paying slightly higher health insurance premium</td> <td>23%</td> </tr> <tr> <td>Government-sponsored insurance programs should cover it</td> <td>18%</td> </tr> </tbody> </table> <p style="font-size: small;">Source: <i>Bundled Services and Residential Gateways</i>, an Internet survey of 3,479 U.S. households © 2006 Parks Associates</p>	Statement	Percentage	I don't want to pay extra on my healthcare insurance premium or incur out-of-pocket expenses	34%	I prefer paying slightly higher health insurance premium	23%	Government-sponsored insurance programs should cover it	18%
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<p><b>Publish Date:</b> 1Q 08</p>	<p>"The government reimbursement policy remains a sore spot for the growth of the digital health industry," said Harry Wang, Senior Analyst with Parks Associates. "Technology vendors should learn from the experience of the disease management industry with the Medicare Health Support Pilot program and find a better way to engage government at both the federal and state levels and eventually convince them of the value of technology to the U.S. healthcare industry."</p>
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**Executive Update: CMS Demonstration  
Projects and Government Reimbursement  
Policies**

By Harry Wang, Director, Health & Mobile Product  
Research

3Q 2008

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