AAHOMECARE
American Association for Homecare

Commenting Guidance for AAHomecare Members on CMS' CY2026 HH/DMEPOS Proposed Rule (CMS-1828-P)

About the Document:
This is a commenting talking points document for DMEPOS industry stakeholders for the CMS Calendar Year (CY) 2026 Home Health Prospective Payment System (HH PPS) Rate Update Proposed Rule (CMS-1828-P). The proposed rule includes several provisions affecting the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) sector, specifically the Competitive Bidding Program, accreditation requirements, and prior authorization policies.

The most effective comments come from first-hand experience. CMS wants to hear directly from stakeholders who would be impacted by the proposed changes and how those changes could affect your ability to serve patients. Your experience matters, and you're uniquely qualified to speak to the real-world impact. However, please remember your comments are public and should not include any Protected Health Information (PHI) or other private information.

Below are AAHomecare's current positions on the different proposals. Please note this is a work in progress and subject to change as we continue to gather feedback from the industry. These are not the complete comments, but rather a broad position of the key points that have been agreed upon by the AAH workgroup so far.

Comment Submission:
CMS is accepting public comments through August 29, 2025. To submit, go to regulations.gov and make sure you are commenting to the "Medicare and Medicaid Programs: Calendar Year 2026 Home Health Prospective Payment System Rate Update; Requirements for the HH Quality Reporting Program and the HH Value-Based Purchasing Expanded Model; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program Updates; DMEPOS Accreditation Requirements; Provider Enrollment; and Other Medicare and Medicaid Policies" posting. You can either type your comments into the comment box or attach a file. Fill out the required fields as you see fit and make sure to click the *'Submit Comment'* button at the bottom.

Please note, there are two different comment deadlines posted in the Federal Register due to an error by CMS, but the official **deadline is 11:59pm on August 29, 2025**.

CMS Proposals and AAH Positions

A. Potentially Adding Class II CGMs and Insulin Infusion Pumps to CBP

- **CMS Proposal:** Change the payment category for Class II CGMs and insulin infusion pumps to Frequently and Substantial Servicing (FSS) for CBAs and non-CBAs. Based on 2025 rates, CMS estimates that the monthly rental CGM bid ceiling would be $272.69 and insulin infusion pump rental rate would be $226.22. While not proposed, CMS also notes that they expect CGMs and insulin infusion pumps to be in the same product category.

- **AAH Position:** CGM is a new and evolving technology and is not suited to be included in CBP. The payment calculation for both CGMs and insulin infusion pumps is not sustainable. We are concerned about the potential inclusion of CGMs and insulin infusion pumps in the same product category, as many CGM suppliers do not furnish insulin pumps.
- **Optional Guidance to Members:** Share how the proposal would impact your business and your patients, and whether your company provides CGMs and insulin infusion pumps. Highlight any challenges you foresee in adapting to the payment changes and how that might affect the patients who rely on CGMs and insulin pumps for their health management.

B. Authority to Add Medical Supplies to CBP

- **CMS Proposal:** Clarifying the definition of "medical equipment items" to include ostomy, tracheostomy, and urological supplies.
  - **AAH Position:** The statute is clear that medical supplies do not meet the definition of 'medical equipment items' that CMS is authorized to include in competitive bidding. Medical supplies are individualized products and are not suitable for competitive bidding.
  - **Optional Guidance to Members:** Suppliers can share how the inclusion of medical supplies to CBP would impact servicing your patients. Highlight any challenges you foresee in adapting to the payment changes and how that might affect your patients. Share your experience with patients switching products and how you ensure patients have access to their preferred products.

C. Changing Winning Bid to 75th Percentile of Winning Bids

- **CMS Proposal:** Change the winning bid from the maximum winning bid to the 75th percentile of winning bids and reduce the number of contract winners by 25%. For future rounds, the number of contracts would be adjusted based on Medicare fee for service enrollment changes.
  - **AAH Position:** The proposal will artificially drive down the rates, which will produce unsustainable rates.
  - **Optional Guidance to Members:** Share the changes your company has had to make due to the lower reimbursement rates implemented from previous rounds. Share what business decisions that would need to be made if rates are lowered even further, and how that would ultimately impact your patients.

D. Changes to Contract Award Threshold

- **CMS Proposal:** Adjust the number of contracts awarded to double the number of contract suppliers that previously furnished at least 5% of the items or services needed in the competition. Lower the requirement to at least 2 suppliers per competition.
  - **AAH Position:** Concerns with patient access. The proposal will artificially lower the number of suppliers contracted to service a CBA, which would mean patients would have a limited number of suppliers to receive their medical equipment.

- **Optional Guidance to Members:** Share what you are seeing in your current service area. Share stories from beneficiaries on any delays or difficulty receiving services.

E. Changes to Lead Item Bid Ceiling Rules

- **CMS Proposal:** For previously bid items, bids are capped at the lesser of 110% of the last SPA or the unadjusted fee schedule; if no recent SPA exists, CPI-adjusted SPAs apply. For items new to a CBA, bids are capped at the lesser of the adjusted fee schedule plus 10% or the unadjusted amount, and for new product categories, bids cannot exceed the current unadjusted fee schedule.
  - **AAH Position:** Setting the bid ceiling based on the most recent SPA will continue to drive prices down and will be unsustainable. Our initial analysis reveals that even if a bidder submits the bid ceiling amount for the lead item, all the non-lead items rates will drastically drop.
  - **Optional Guidance to Members:** Share the impact your business and your patients will have if rates are lowered.

F. Require Less Financial Documentation in the Bid Submission Process

- **CMS Proposal:** No longer require tax returns, income statements, balance sheets, and cash flows as part of the required financial documentation submission; just require a credit report.
  - **AAH Position:** Concerned that reducing documentation requirements to just a credit report would limit CMS's ability to determine the supplier's ability to provide services—especially concerned for evaluating new entrants. Based on experience from previous CBP rounds, we are concerned about low-ball bidders entering the program without prior experience in the product category and/or the CBA. Instead, CMS should provide clearer guidance on the required documentation, especially for supplier companies that are subsidiaries.
  - **Optional Guidance to Members:** Consider sharing your experience preparing the required financial documents in previous rounds. If applicable, describe how contract awards to suppliers who were ultimately unable to fulfill obligations affected your business and patient care in your area to highlight the need for CMS to fully vet bidders.

G. Increase Frequency of Surveys and Reaccreditations

- **CMS Proposal:** Revise to require DMEPOS suppliers to be surveyed and reaccredited at least once every 12 months.
  - **AAH Position:** This will not be feasible for larger suppliers and will be overly burdensome for all. Recommend that CMS explore alternative approaches to strengthen fraud and abuse safeguards. Accreditation organizations are responsible for ensuring compliance with the Medicare Quality Standards; not compliance with regulatory requirements.

- **Optional Guidance to Members:** Consider sharing your experiences with site inspections and the additional work your team has had to take on and the additional cost your company would need to cover. Describe the amount of work it takes to accommodate these site inspections will provide CMS with important context they may not otherwise have.

H. CMS Expanded Revocation Authority on DMEPOS Suppliers

- **CMS Proposal:** Supplier's number can be revoked if the beneficiary attests that they never received the item or service listed in the supplier's claim.
  - **AAH Position:** Without an opportunity for suppliers to clarify or respond, inappropriate deactivations may occur. This would make it difficult for suppliers to have their billing privileges reinstated.
  - **Optional Guidance to Members:** Consider sharing any experiences where your number was deactivated, particularly in cases where you were not given an opportunity to clarify or respond to concerns raised. Your experience can help illustrate the real-world impact of such policies and reinforce the need for a more balanced approach.

- **CMS Proposal:** Expand the list of situations where CMS may apply a retroactive effective date for a revocation. The effective date would vary based on the reason for the revocation.
  - **AAH Position:** We have serious concerns about expanding the use of retroactive revocations, particularly in cases where they may not be warranted. Technical or administrative errors should not result in severe consequences for suppliers and the patients they serve
  - **Optional Guidance to Members:** Consider sharing how a revocation would impact your business operations, finances, and patients you serve to illustrate the serious consequences of retroactive revocations.