Potential Business and Workforce Impacts of the RID Competitive Bidding Program

Findings from a Nationwide Survey of DMEPOS Suppliers

OVERVIEW

The American Association for Homecare (AAHomecare) conducted a nationwide survey from August 22 - 30, 2026 to assess the potential operational and economic impacts of the Round 2028 Remote Item Delivery (RID) Competitive Bidding Program (CBP) on Durable Medical Equipment, Prosthetic, Orthotic, and Supplies (DMEPOS) suppliers. The survey focused on suppliers currently providing Continuous Glucose Monitors (CGMs), insulin pumps, ostomy supplies, and/or urological supplies to Medicare FFS beneficiaries.

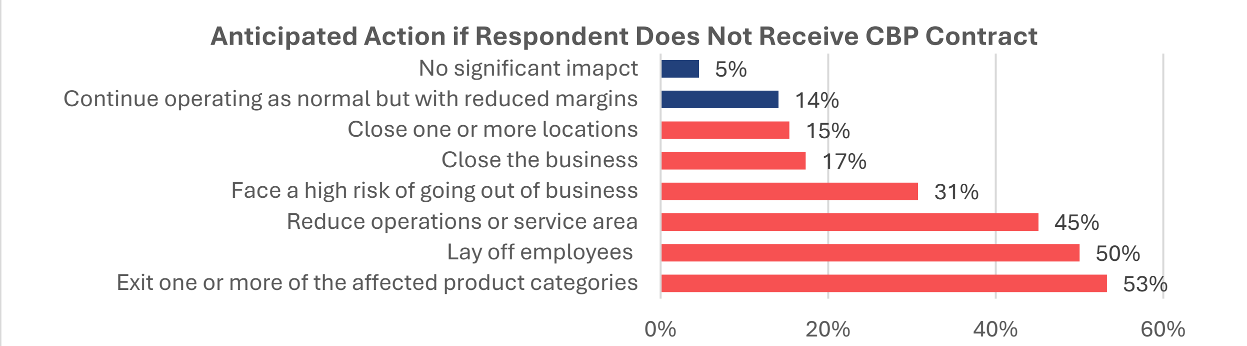
Based on Medicare claims data, AAHomecare estimates approximately 3,650 suppliers would be impacted. A total of 306 companies representing over 1,500 locations participated in the survey, providing a broad view of how suppliers anticipate responding if they do not receive a CBP contract. The findings point to significant potential disruption to businesses, jobs, and end user access to care.

- **47% anticipate a significant business viability risk**, indicating they would close one or more locations, face a high risk of going out of business, and/or close the business entirely. Extrapolated across the 3,650 impacted suppliers, this means **more than 1,700 DMEPOS companies** would be significantly at risk for viability.
- **50% would lay off employees**. More than one in three reported that they would eliminate at least half of their current workforce.
- **53% would exit one or more affected product categories**, reducing supplier availability nationwide.
- **45% would reduce operations or their service area**, limiting the geographic availability of products and services, particularly in rural and underserved communities.
- **71% report that the loss of Medicare revenue would also affect their ability to sustainably serve patients covered by other payers**, demonstrating that the impact could extend beyond Medicare FFS.

Taken together, the findings suggest that the impact of not securing a contract under the RID CBP model for many suppliers could mean eliminating jobs, closing locations, exiting product categories, reducing service areas, or putting the viability of the company at risk, exacerbating access issues well beyond Medicare Part B beneficiaries.

SIGNIFICANT BUSINESS IMPACTS

When asked about the anticipated company impacts not receiving a Competitive Bidding contract for one or more of the impacted product categories, ***81% of respondents anticipated significant business or operational consequences,*** including workforce reductions and closures. In contrast to AAHomecare survey findings, CMS stated that there would be “no economic impact” from RID CBP, ignoring the impact on small business in its Regulatory Impact Analysis for the CY 2025 rule.[1]



Jobs at Risk

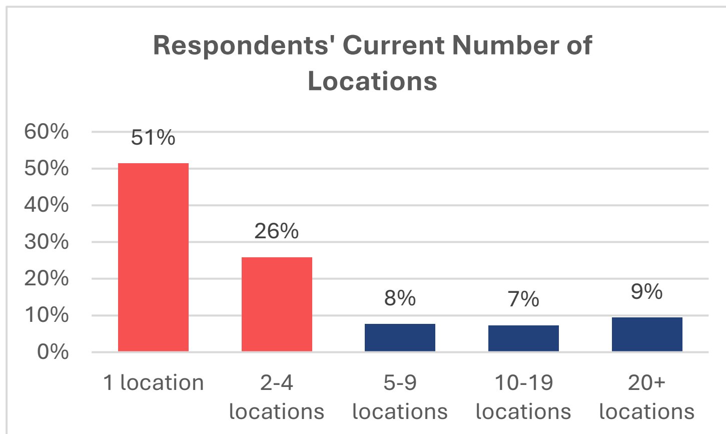
50% of respondents reported that they would reduce their workforce if they do not receive a CBP contract. The average anticipated reduction was 34% of current staff across respondents who provided a percentage estimate of their anticipated workforce reductions, if any. More than one in three companies reported that they would eliminate at least half their workforce.

Based on 254 companies who provided a numerical estimate, respondents identified an estimated 3,600 direct positions that would be eliminated. Additionally, three percent of respondents indicated that the number of positions that would be eliminated is still to be determined while others provided a qualitative response rather than a specific figure and were not included in the 3,600 estimate.

These projected workforce reductions demonstrate that the potential employment impact of RID CBP would impact both suppliers who close as well as diversified suppliers who reduce their workforce while remaining in operation.

Business Closures

More than half of respondents operate from a single location, and 77% of respondents have four or fewer locations. This is important context when assessing the potential impact of the nationwide RID model. The small business network pathway is limited to those with annual revenue of $3.5 million or less. However, suppliers exceeding that threshold may still operate primarily in a local, community-based market and lack the geographic footprint or operational scale necessary to serve beneficiaries nationwide.



Nearly half of respondents (47%) reported at least one significant business risk: that they would close one or more locations, face a high risk of going out of business, and/or close the business entirely if they did not receive a Competitive Bidding contract.

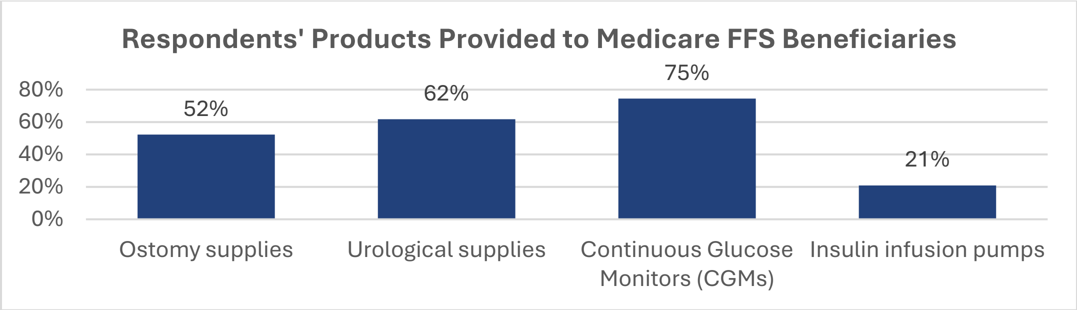
For community-based suppliers, the closure or contraction of a location could mean fewer choices for beneficiaries, longer distances to obtain products and services, and reduced capacity to provide the individualized support that accompanies DMEPOS products.

Business Model Impacts

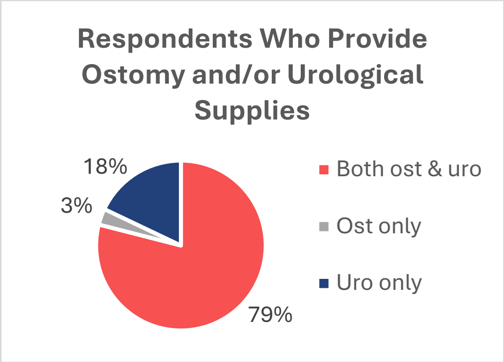
The survey demonstrates that the potential impact of the RID CBP is not limited to suppliers whose businesses are exclusively dependent on the affected product categories.

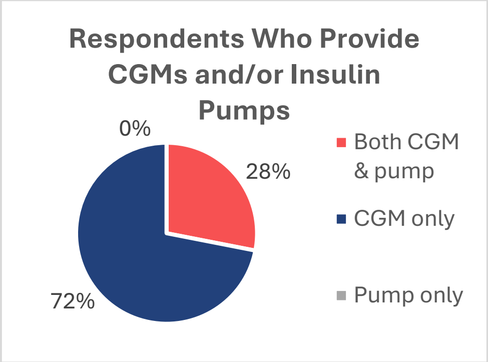
68% of respondents rely on the affected product categories as either a primary/only product line or a significant portion of their business.

- 26% of respondents report these products are the primary/only product categories.
- 42% report they represent a significant portion of their business despite providing other products.



The survey also highlights a disconnect between the RID CBP structure and how these products are supplied in the marketplace. Among respondents providing CGMs and/or insulin pumps, only 28% provide both product types, while 72% provide CGMs and no insulin pumps. This suggests that many suppliers specialize within the broader diabetes product category rather than providing all products grouped within it.





Impact Beyond Medicare FFS

71% of respondents reported that losing Medicare revenue as a result of RID CBP would affect the sustainability of their business with other payers. This finding is particularly important because the potential impact of the CBP cannot be solely evaluated by looking at one's Medicare FFS revenue. Suppliers operate across multiple payer sources, and changes to Medicare reimbursement can affect the economics of serving end users covered by other payers as well.

CONCLUSION

For many suppliers, not securing a Medicare contract could have consequences far beyond the Medicare population, including reduced service capacity, product line exits, closures, workforce reductions, and other changes affecting end users covered by Medicaid, commercial insurance, and other payers.

Our Ask

AAHomecare urges the Administration and Congress to consider the real-world workforce and business consequences identified by suppliers and delay the implementation of the Round 2028 RID model, establish a five-year period to convene a technical expert panel to evaluate its potential impact on the DMEPOS supplier network and access to care, and test the RID model in a limited demonstration in a defined market so that findings can be used to inform any future decisions.

REFERENCE:

1) Medicare and Medicaid Programs; Calendar Year 2026 Home Health Prospective Payment Systems (HH PPS) Rate Update; Requirements for the HH Quality Reporting Program and the HH Value-Based Purchasing Expanded Model; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program Updates; DMEPOS Accreditation Requirements; Provider Enrollment; and Other Medicare and Medicaid Policies, 90 Fed. Reg. 55342, 55349, and 55577, Dec. 2, 2025)

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