

Protect Patient Access: Exempt Durable Medical Equipment & Supplies from Additional Tariffs

ISSUE

Imposing additional tariffs on durable medical equipment (DME), related components, and disposable medical supplies threaten access to essential medical products for seniors, individuals with chronic illnesses, and people with disabilities. These tariffs would put end users' health at risk while straining an industry already constrained by pre-determined, fixed reimbursement rates. Because DME suppliers' reimbursement rates are preset by payers, manufacturers and suppliers cannot pass along increased costs like other industries. With over 42% of DME suppliers having closed since 2013 due to reimbursement pressures, exempting DME from additional tariffs is critical to protecting patient access and ensuring the long-term stability of the DME industry in the United States.

INTRODUCTION

The American Association for Homecare (AAHomecare) is the national association representing DME and medical supplies suppliers, manufacturers, and other stakeholders in the homecare community. Its members provide every line of medical equipment, supplies, and services provided to millions of individuals in the home setting. AAHomecare members are proud to be part of the continuum of care that assures that individuals across the country receive cost effective, safe, and reliable medical products and services in the comfort and security of their homes.

DME includes essential medical products and supportive services such as:

- Oxygen equipment and therapy
- Non-invasive ventilators
- Sleep therapy technologies
- Mobility assistive technologies (including wheelchairs)
- Diabetes therapy and related supplies
- Urological and ostomy supplies
- Breast pumps and related supplies

THE IMPACT OF ADDITIONAL TARIFFS ON DME

Additional DME Tariffs Could Adversely Affect the Most Vulnerable Americans

The DME Industry provides a critical safety-net for medically fragile children and adults, enabling them to remain in their homes while receiving care instead of skilled and acute care facility admissions. In the United States, more than 70 million Americans have one or more disabilities. Further, over 68 million Americans are enrolled in Medicare, with an additional 10,000 Americans turning 65 every day and becoming eligible for Medicare. Imposing any additional tariffs on DME products will limit the ability of people to obtain critically necessary health care products, potentially endangering the health and wellbeing of these individuals.

Additional DME Tariffs Could Negatively Impact Industry Suppliers and Manufacturers

Medicare, state Medicaid programs, and private/commercial payers pay a fixed reimbursement amount to suppliers of DME and medical supplies. Any additional tariffs cannot be passed on by the industry to healthcare consumers and would have to be fully absorbed by DME manufacturers and suppliers. This added operational cost burden on an already strained industry may become cost-prohibitive for suppliers to continue providing equipment and supplies. According to a nationwide survey of DME suppliers in July 2024, over one in ten DME

companies are already actively considering or planning to close due to cost pressures. The DME industry has already experienced significant contraction since 2013 with 42% of companies closing. Additional cost pressures would further exacerbate the financial pressures of the DME industry, jeopardizing both the suppliers' viability as well as the manufacturers and ancillary service companies that sell to them.

Our Ask

AAHomecare asks that DME, related components, and disposable medical supplies be exempted from any additional tariffs, regardless of country of origin, to preserve end user access to care.