

# Small Business Talking Points: Competitive Bidding

## HOW TO USE THIS GUIDE

This resource provides key talking points & supporting facts to help HME stakeholders effectively communicate the importance of small business participation in the DMEPOS Competitive Bidding Program (CBP). **Use these points to educate, advocate, & influence policymakers, the SBA, & others about the critical role of DME suppliers in your conversations, testimony, e-mails, & meetings.**

## THE ISSUE

CMS' new "Remote Item Delivery" (RID) model for CBP would shrink thousands of local suppliers to an estimated < 10 national contracts per category,<sup>1</sup> effectively shutting out most small businesses:

- **7 contracted suppliers** for urological supplies
- **8 contracted suppliers** for ostomy supplies
- **9 contracted suppliers** for CGM and insulin infusion pump supplies

## 7 KEY MESSAGES

### Small Businesses Drive DME Care:

**1) Small businesses are the backbone of the DME Industry & essential to delivering care at home.**

- *Market Share:* 85% of DME suppliers are "small businesses" under SBA standards;<sup>1</sup> 98% of suppliers qualify as small entities under the Regulatory Flexibility Act.<sup>2</sup>
- *Community Impact:* Suppliers provide education, ongoing support, care coordination, & rapid response during emergencies.

### RID Program Creates Small Business Barriers:

**2) The RID model introduces structural requirements that disproportionately impact small businesses.**

- *Infrastructure:* RID requires multi-state licensing, compliance, staffing & infrastructure capacity.
- *Capacity Demands:* Contracted suppliers must be able to meet rapid, large-scale demand.
- *Bundling Barriers:* Contract consolidation & category management impose geographic & operational challenges, making it difficult for small suppliers to compete.<sup>3</sup>
- *DME Moratorium:* The Medicare DME moratorium restricts companies from opening new locations.<sup>4</sup>

### Real-World Risks of Small Supplier Loss:

#### Negative Economic Impacts:

**3) Consolidation risks accelerating permanent market loss with lasting economic consequences.**

- *Supplier Attrition:* Nearly 40% of DME suppliers exited the market following past CBP rounds.<sup>5</sup>
- *Permanent Impacts:* CMS acknowledged that small business exists under CBP "could be irreversible", with lasting impacts on access.<sup>2</sup>
- *Jobs & Investments:* The CBP RID program will likely spur widespread job losses, reduce local investment, and weaken local economies.

#### Reduced Quality & Access:

**4) Reducing the number of suppliers fundamentally changes how care is delivered.**

- *Local Access:* Fewer suppliers reduce access to local, personalized care.
- *Product & Service Gaps:* Medicare beneficiaries may experience reduced product choice & support services, longer wait times, delays in deliveries & response times.
- *Relationships:* End users may lose trusted relationships with local suppliers who understand their needs & care plans.
- *Cost-Shifting:* Gaps can increase the risk of adverse health outcomes & greater reliance on higher-cost care settings.

## System-Wide Risks of Consolidation:

### 5) A highly concentrated supplier model introduces fragility into the health care system.

- **Cost & Quality:** The GAO raises concerns that health care consolidation may increase costs & reduce quality or access.<sup>6</sup>
- **Price Pressures:** Kaiser Family Foundation research notes that consolidation leads to higher health care prices.<sup>7</sup>
- **Supply Chain Fragility:** Fewer suppliers create single points of failure in the supply chain.
- **Continuity of Care:** If a contracted supplier exits the market or is disrupted by a natural disaster, there may be no backup local capacity to ensure end users continue receiving essential supplies.

## The Big Picture of Small Business:

### 6) The challenges facing small DME suppliers reflect broader trends impacting small businesses across industries.

- **Economic Footprint:** Small businesses represent 99.9% of US companies, employ 61.6 million Americans, & create ~2/3 of new jobs. 43.5% of the US GDP is driven by small businesses.<sup>8</sup>
- **Regulatory Burden:** 51% of small business owners report regulatory compliance makes growth more difficult.<sup>9</sup>
- **Contracting Displacement:** Small businesses are being displaced from federal contracting with ~49% decline since 2008,<sup>15</sup> despite an increase in small businesses nationwide & contract consolidation increasing significantly.<sup>10</sup>

## Bipartisan Value of Small Business:

### 7) Support for small businesses is a consistent, bipartisan priority.

- **Shared Recognition:** Support for small business is rooted in their essential role in driving economic growth, job creation, & innovation.

#### RESOURCES:

**1)** Estimate based on 2024 data: [regulations.gov/document/CMS-2018-0067-0002](https://www.regulations.gov/document/CMS-2018-0067-0002) **2)** [federalregister.gov/documents/2021/12/28/2021-27763/medicare-program-durable-medical-equipment-prosthetics-orthotics-and-supplies-dmepos-policy-issues](https://www.federalregister.gov/documents/2021/12/28/2021-27763/medicare-program-durable-medical-equipment-prosthetics-orthotics-and-supplies-dmepos-policy-issues) **3)** [minneapolisfed.org/article/2025/federal-contract-consolidation-help-or-hindrance-for-native-entity-enterprises#\\_ftn2](https://www.minneapolisfed.org/article/2025/federal-contract-consolidation-help-or-hindrance-for-native-entity-enterprises#_ftn2) **4)** [cms.gov/files/document/dme-moratorium-qa-02252026-pdf.pdf](https://www.cms.gov/files/document/dme-moratorium-qa-02252026-pdf.pdf) **5)** [aahomecare.org/files/galleries/SUPPLIER\\_TRACKING\\_0725.pdf](https://www.aahomecare.org/files/galleries/SUPPLIER_TRACKING_0725.pdf) **6)** [gao.gov/blog/health-care-becoming-more-consolidated-including-physicians-what-effect-it-having](https://www.gao.gov/blog/health-care-becoming-more-consolidated-including-physicians-what-effect-it-having) **7)** [kff.org/health-costs/ten-things-to-know-about-consolidation-in-health-care-provider-markets/](https://www.kff.org/health-costs/ten-things-to-know-about-consolidation-in-health-care-provider-markets/) **8)** [uschamber.com/small-business/small-business-data-center](https://www.uschamber.com/small-business/small-business-data-center) **9)** [uschamber.com/improving-government/overregulation-is-crippling-business-getting-regulations-right-is-the-key-to-growth](https://www.uschamber.com/improving-government/overregulation-is-crippling-business-getting-regulations-right-is-the-key-to-growth) **10)** [minneapolisfed.org/article/2025/federal-contract-consolidation-help-or-hindrance-for-native-entity-enterprises#\\_ftn2](https://www.minneapolisfed.org/article/2025/federal-contract-consolidation-help-or-hindrance-for-native-entity-enterprises#_ftn2) **11)** [whitehouse.gov/presidential-actions/2025/05/national-small-business-week-2025/](https://www.whitehouse.gov/presidential-actions/2025/05/national-small-business-week-2025/) **12)** [ernst.senate.gov/news/columns/ernst-ensuring-access-for-iowas-small-businesses](https://www.ernst.senate.gov/news/columns/ernst-ensuring-access-for-iowas-small-businesses) **13)** [markey.senate.gov/news/press-releases/senator-markey-to-lead-as-top-democrat-on-small-business-and-entrepreneurship-committee](https://www.markey.senate.gov/news/press-releases/senator-markey-to-lead-as-top-democrat-on-small-business-and-entrepreneurship-committee)



*"Small businesses power our economy from the ground up, driving innovation & building products that keep America strong, competitive, and secure."*

– **President Donald Trump**<sup>11</sup>  
White House Proclamation 2025

*"Small businesses are the lifeblood of our economy... Unfortunately, despite their valuable contributions, Washington often overlooks the needs of entrepreneurs & innovators. The truth is: today's federal contracting process is stacked against America's small businesses."*

– **Sen. Joni Ernst, Chair**<sup>12</sup>  
Small Business & Entrepreneurship Committee

*"Strong small businesses help local economies thrive & contribute to the fabric of our communities. By supporting small businesses & new aspiring entrepreneurs, we can close gender & racial wealth gaps, invest in the success of working families, & foster innovation."*

– **Sen. Ed Markey, Ranking Member**<sup>13</sup>  
Small Business & Entrepreneurship Committee

## KEY TAKEAWAYS

### Use this guide to advocate for policies that:

- Ensure CBP allows meaningful participation by small businesses.
- Recognize the operational realities & constraints small suppliers face.
- Maintain policies that support competition, access, & resilience.
- Avoid unintended consequences that could lead to the permanent loss of small suppliers.