

COST INCREASES AFFECTING ENTERAL NUTRITION & SUPPLIES

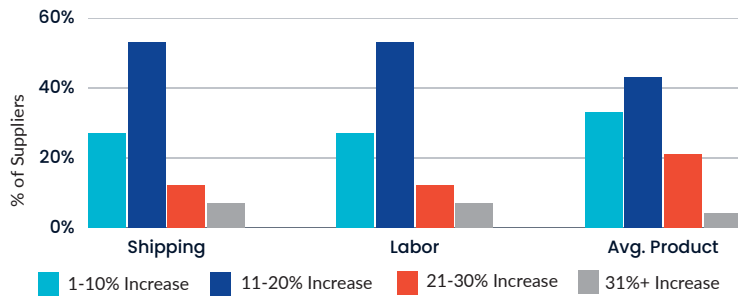
Current reimbursement rates for life sustaining enteral nutrition & related supplies* fail to factor the increased costs and *must be addressed to preserve access to care*

REPORTED IMPACT ON SUPPLIERS:

- 11-30%+ Increased cost of goods
- 11-20%+ Increased shipping costs
- 11-20%+ Increased labor costs

88% REPORT NO PAYER RATE INCREASES
Excluding Medicare CPI-U Adjustment

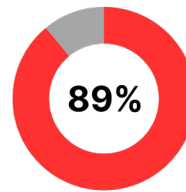
Percent of Increased Costs Incurred¹



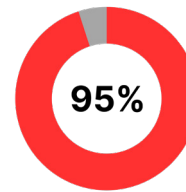
10-40%

Increase in food commodities used in EN formula in the last year²

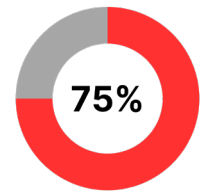
HME PROVIDERS' COST INCREASES FROM MANUFACTURER/DISTRIBUTOR¹



Incurred increased enteral nutrition costs in the last 12 months



Incurred increased enteral supplies costs in the last 12 months

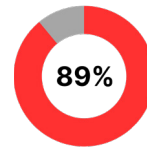
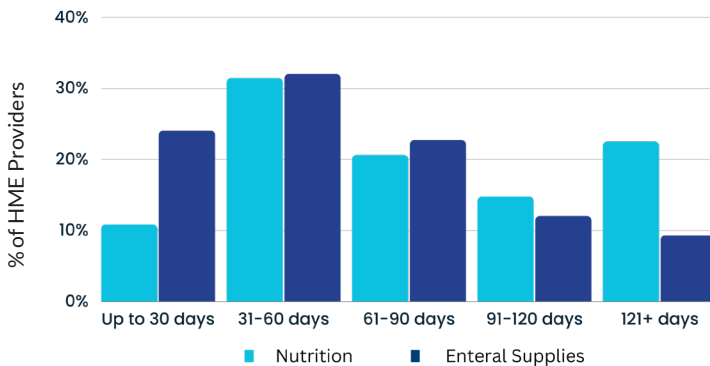


Received advance notice or expectation of cost increase this year

CONTINUED MARKET CHALLENGES WITH SUPPLY CHAIN DISRUPTION & INCREASE SHIPPING COSTS¹

Respondents report supply chain, inflation, labor market, and challenges managing operational costs as issues negatively impacting their ability to provide disposable supplies

Supply Chain Interruption - Delayed TimeFrame for Order Fulfillment¹



Increased labor costs



Increased shipping costs

100% experienced supply chain disruption in the last 12 mo.

84% ship enteral nutrition & supplies at least 80% of the time to end users

6.9% Minimum additional increase in shipping costs by major carriers to take effect in 2023⁴

1 in 4

are considering or actively planning to **stop providing enteral nutrition/supplies** due to cost pressures¹

37% fewer HME Providers nationwide since 2013³

1) National AAH supplier survey on enteral nutrition and supplies, March-April '23.

2) www.bls.gov. 3) AAH analysis of Medicare DMEPOS supplier, July '23.

4) www.partnership.com/blog/post/fedex-ups-general-rate-increase

UNSUSTAINABLE REIMBURSEMENT CAN JEOPARDIZE PATIENT ACCESS TO CARE

*Supplies includes tubes, pumps, & other supplies required for provision of enteral nutrition
Note: Home Medical Equipment (HME) Providers are also referred to as suppliers