

# COST INCREASES AFFECTING HOSPITAL BEDS

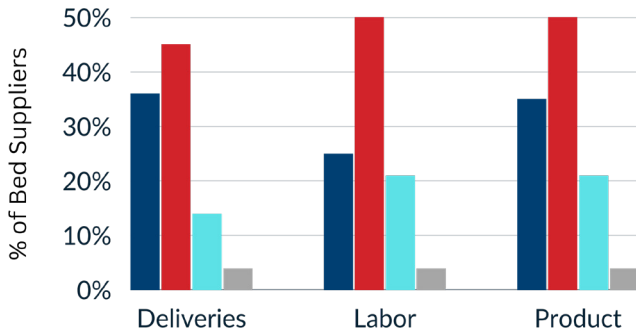
Current reimbursement rates for hospital beds fail to factor the increased costs and *must be addressed to preserve access to care*

## REPORTED IMPACT ON SUPPLIERS:

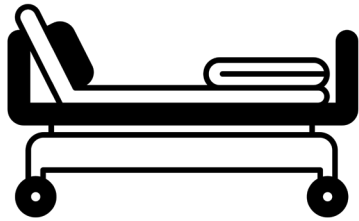
- 11-20%+ Increased cost of goods
- 11-20%+ Increased delivery costs
- 11-20%+ Increased labor costs

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

### Percent of Increased Costs Incurred<sup>1</sup>



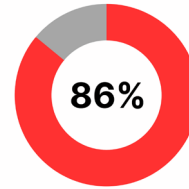
■ 1-10% increase ■ 11-20% increase ■ 21-30% increase ■ 31+% increase



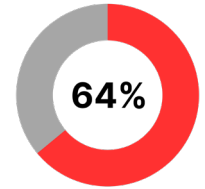
### CONTINUED MARKET CHALLENGES WITH SUPPLY CHAIN DISRUPTION & INCREASE SHIPPING COSTS<sup>1</sup>

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

### HME PROVIDERS' COST INCREASES FROM MANUFACTURER/DISTRIBUTOR<sup>1</sup>

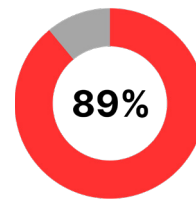
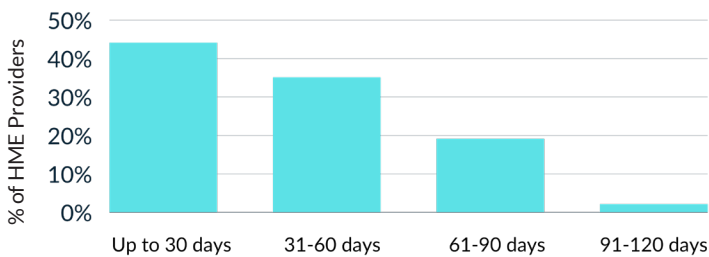


Incurred increased hospital bed costs in the last 12 months



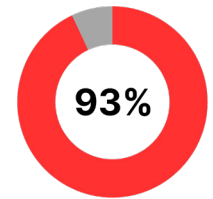
Received advance notice or expectation of hospital bed cost increase this year

### Supply Chain Interruption - Delayed Time Frame for Order Fulfillment<sup>1</sup>



Increased labor costs

Increased shipping costs



**56%**

experienced higher than normal hospital bed backorders/delays/order cancellations.

**84%**

of companies with vacancies are having difficulty filling staffing positions.

**41%**

are considering or actively planning to **stop providing hospital beds** due to cost pressures<sup>1</sup>

**37%**

fewer HME Providers nationwide since 2013<sup>2</sup>

1) National AAH supplier survey on hospital beds & other DME, Aug.-Sept. '23.  
2) AAH analysis of Medicare DMEPOS supplier, July '23.

## UNSUSTAINABLE REIMBURSEMENT CAN JEOPARDIZE PATIENT ACCESS TO CARE

Note: Home Medical Equipment (HME) Providers are also referred to as suppliers