

# COST INCREASES AFFECTING OXYGEN EQUIPMENT

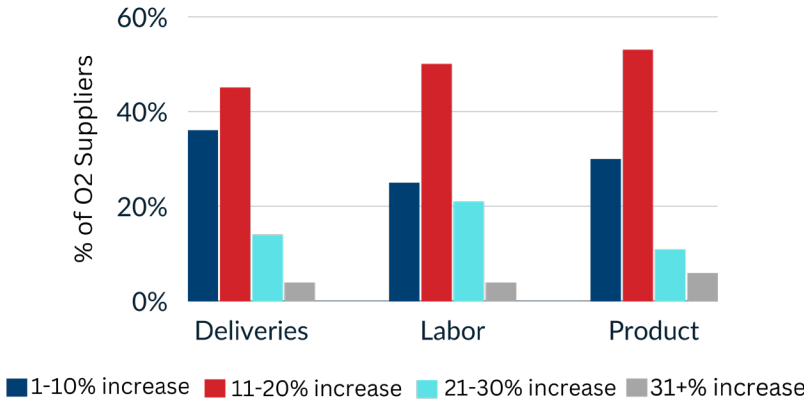
Current reimbursement rates for life sustaining oxygen equipment fail to factor the increased costs and *must be addressed to preserve access to care*

## REPORTED IMPACT ON SUPPLIERS:

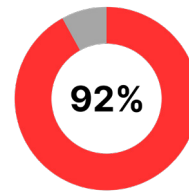
- 11-20%+ Increased cost of goods
- 11-20%+ Increased delivery costs
- 11-20%+ Increased labor costs

**85%** REPORT NO PAYER RATE INCREASES  
*Excluding Medicare CPI-U Adjustment*

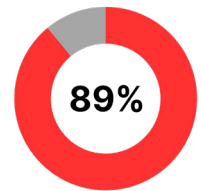
### Percent of Increased Costs Incurred<sup>1</sup>



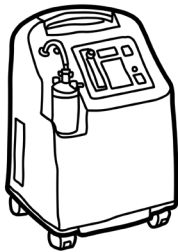
### HME PROVIDERS' COST INCREASES FROM MANUFACTURER/DISTRIBUTOR<sup>1</sup>



Incurred increased oxygen equipment costs in the last 12 months

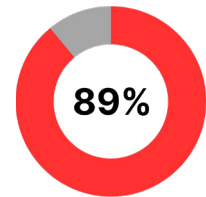


Received advance notice or expectation of O2 cost increase this year

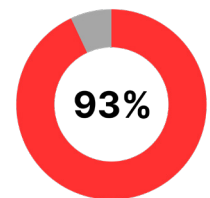


### CONTINUED MARKET CHALLENGES WITH SUPPLY CHAIN DISRUPTION & INCREASE SHIPPING COSTS<sup>1</sup>

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

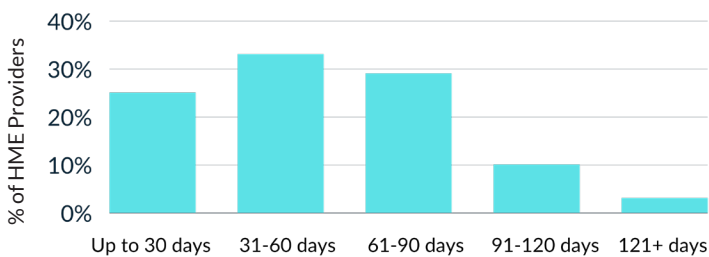


Increased labor costs



Increased shipping costs

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



**68%**

experienced higher than normal O2 backorders/delays/order cancellations

**84%**

of companies with vacancies are having difficulty filling staffing positions.

**1 in 3**

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

**37%**

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

1) National AAH supplier survey on oxygen equipment & 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